FINANCIAL TIMES

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French Government: a balancing act for the bulldozer; Page 16

World news | Business summary

Union Carbide in deal on Bhopal

Union Carbide, embattled US group, has reached a tentative settlement with lawyers acting for the victims of the 1984 Bhopal gas leak in India, and has offered to pay $350m to settle claims arising from the world's worst industrial disaster.

The tentative settlement, which has yet to be agreed to by the US courts or the Indian Government, marks the first time that Union Carbide has indicated how much it would pay to settle the claims resulting from the gas leak at the Bhopal pesticide plant. The leak left more than 2,000 people dead and 200,000 injured. Page 4

Star Wars talks

West German Economics Minister Martin Bangemann said he expected to sign an agreement this week with the US on a role for his country in Star Wars research, although the two sides had not yet agreed on whether to publish details.

Oil licences

The UK Government is expected tomorrow to open up about 10,000 sq km of British soil to drilling rigs of the international oil industry. Page 18

Bomb victim named

One of two Lebanese who died in a bomb attack on a central Paris shopping arcade on Thursday belonged to a group called the Lebanese Revolutionary Armed Factions and has been indentified as Nabil Dagher, police said. The group was responsible for the 1982 murder of American and Israeli diplomats in France.

Corsica attack

Separatist guerrillas burst into a Corsican hotel complex, tied up six members of staff and four tourists and set three bombs which partially destroyed the facility. No one was hurt.

Ariane tests

Preliminary tests on a European Ariane-3 rocket which was aborted in the final seconds of countdown last week have shown it is in good condition and should be able to be launched on Friday, according to *Arianespace officials.*

Threat to flights

British Airways flights face disruption over Easter by engineering staff who have threatened industrial action if it fails to reopen talks on pay and job flexibility.

Spanish strike threat

Spain's Communist-led Workers' Commissions are to push ahead with railway strikes during the Easter break despite withdrawal of support by the Socialist General Workers' Union.

Share deals denied

Downing Street firmly rejected reports that Mrs Margaret Thatcher, British Prime Minister, had traded in shares in her own name, saying rules about such matters had been observed. Page 7

Policemen killed

Left-wing guerrillas ambushed a police convoy in south-west Colombia, killing seven policemen and leaving more than 40 unaccounted for, according to officials.

Jailbreak battle

Two people died when 50 outlaws attacked a prison in Pakistan's Sind province and set free 34 prisoners awaiting execution.

Hindus murdered

Suspected Sikh extremists shot dead three Hindus in a fresh outbreak of communal violence in northern Punjab state.

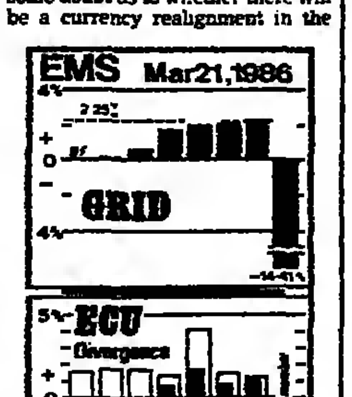
Grand Prix double

Brazilians Nelson Piquet, in a Williams, and Ayrton Senna, in a Lotus, respectively took first and second place in the Brazilian Grand Prix in Rio de Janeiro.

Rolls set for return to private sector

ROLLS-ROYCE, UK state-owned aircraft engine maker, is preparing a return to the private sector some time between autumn this year and spring, 1987. Page 18

EUROPEAN Monetary System: Currencies showed little change from the previous week, following a closer than expected result in the French elections. This has created some doubt as to whether there will be a currency realignment in the near future. In addition, some of the weaker currencies are likely to be assisted until the end of the summer by seasonal inflows.



While showing little adjusted change from central rates, most currencies were weaker on an unadjusted basis, reflecting sterling's sharp improvement after last week's UK budget and firmer oil prices.

The chart shows the two constraints on European Monetary System exchange rates. The upper grid, based on the weakest currency in the system, defines the cross rates from which no currency (except the lira) may move more than 2¼ per cent. The lower chart gives each currency's divergence from its "central rate" against the European Currency Unit (ECU), itself a basket of European currencies.

TOKYO: Nikkei market average rose 259.89 to close at a record 1,5013.19 in the half-day session on Saturday. Buying was spread across a broad front, aided by speculation about another domestic discount rate cut. Leading prices, Page 37

HONG KONG has rejected US calls for new restraints on the export of textiles and garments to the US market. Page 5

SOVIET UNION is seeking observer status in the General Agreement on Tariffs and Trade. Page 3

PRIVATISATION in Britain has led to fewer jobs and worse employment conditions, according to a report which the TUC has sent to its member unions. Page 8

BRAZIL has decided to freeze development of *Proacool*, its costly programme substituting alcohol for petrol. Page 4

MCLEAN Industries, parent of US Lines which controls one of the world's biggest containerised shipping fleets, lost $86.7m in 1985 and said its bankers had agreed to relax some of the conditions on the more than $1bn it owes. Page 19

KLM, national Dutch airline, begins a shares sale this week which will fund expansion plans and end the Government's majority stake. Page 22

GATX, Chicago-based conglomerate, has agreed to accept a $544m cash takeover bid from Leucadia National, one of several Wall Street corporate raiders which have been pursuing the company. Page 18

GRIEVESON Grant, London stockbrokers, said its top banking analyst, Mr Anthony Munns, as well as his assistant and an insurance analyst, were leaving to join merchant bank group *Morgan Grenfell.*

ADAM SMITH Institute has urged a radical overhaul of Britain's overseas aid programme to encourage privatisation in the Third World. Page 7

Irish blame UK in row over IRA terror suspect

BY HUGH CARNEGY IN DUBLIN AND MARGARET VAN HATTEM IN LONDON

MR DOUGLAS HURD, the British Home Secretary, will today explain the events which led to the abortive attempts in Dublin on Saturday to secure the extradition to Britain of an IRA suspect, who was later set free to escape into hiding once more.

The Irish Government, which is infuriated over the way in which technical errors in the warrants for the extradition of Miss Evelyn Glenholmes have landed it in an embarrassing domestic row, yesterday blamed the British Director of Public Prosecutions (DPP).

The Home Office yesterday insisted that it had no authority over – or responsibility for – the actions of the law officers; the fact that Mr Hurd was making the statement, rather than Sir Michael Havers, the Attorney General, meant simply that the statement would concentrate on the policy and terrorist aspects of the affair.

Mr Hurd is expected to stress that the affair will not affect the implementation of last year's Anglo-Irish Agreement or security co-operation between the two governments; and to insist that the case does not reflect on the Irish Government's willingness to extradite suspected terrorists, which has been underlined by its recent signing of the European Convention on the Suppression of Terrorism.

It is not clear, however, whether there will be any admission of error on the British side.

Amid reports of anger at Scotland Yard over the alleged incompetence of the DPP's office, senior officers in both departments were last night reported to be preparing fresh warrants for Miss Glenholmes' extradition.

Mr Allan Dukes, the Justice Minister, said in a radio interview that Dublin would put its view "with some strength" to the British authorities that more care should be taken not to issue faulty extradition warrants. "I am extremely annoyed by the fact that we, acting in good faith, found ourselves acting on the basis of warrants that were defective."

The chaotic affair, in which Miss Evelyn Glenholmes was freed by one court, rearrested amid gunfire in a busy shopping area and then freed again by another court, is a severe embarrassment to both governments as they struggle to improve security co-operation.

On Saturday, Mr Peter Connellan, Dublin District Justice, accepted a submission by Miss Glenholmes's lawyer that the second warrants were also invalid because they had not been sworn in front of a magistrate in London.

He released Miss Glenholmes and pandemonium ensued as Irish police grappled with her and a large group of supporters who were trying to get her away. These included Mr Gerry Adams, president of Sinn Fein, the IRA's political wing, and several other Sinn Fein leaders.

One plain-clothes policeman fired several pistol shots over the heads of the crowd before Miss Glenholmes, by this time barefoot, was rearrested in a British Home Stores shop.

It emerged in the subsequent second court hearing that she was rearrested on a provisional warrant issued after the Irish police had been notified by telephone of a new warrant issued in London shortly after her initial release. But the second judge, District Justice Joseph Plunkett, said the provisional warrant was not sufficient and he released Miss Glenholmes again.

This time she was driven away to an unknown destination. Mr Dukes said that until a new warrant arrived from London the Irish police had no grounds for taking further action against her. Officials insisted that future extradition proceedings would not be affected and said they expected a further warrant for Miss Glenholmes. By then she is likely to be deep in hiding.

Mr Dukes, who has demanded a full report on Saturday's scenes from the police, admitted the affair was likely to raise political tensions. The opposition Fianna Fail Party called it a fiasco. The Government will be under pressure to explain why events were allowed to get so out of hand in the street

Editorial comment, Page 16

Minister may quit over Sindona poisoning

By James Buxton in Rome

MR MINO MARTINAZZOLI, the Italian Minister of Justice, yesterday held an urgent meeting with magistrates and the governor of Vorbera prison near Milan in an effort to discover how Mr Michele Sindona, the convicted financier, received cyanide that caused his death on Saturday afternoon.

The death of Mr Sindona, who went into a coma on *Thursday* morning when eating his breakfast in his cell, is being viewed in Rome as a major setback for Italy's image abroad. Mr Sindona, who only last week received a life jail sentence for arranging the murder of the liquidator of his Italian banks, was *heavily guarded* and very closely watched.

Mr Martinazzoli, who said nothing after yesterday's meeting, has indicated he is prepared to resign if it emerges that his instructions on guarding Mr Sindona were disobeyed.

Mr Sindona built up a *financial* empire in Milan in the 1950s and 1960s by means of ruthless stock exchange manoeuvering and exploitation of contacts with Italian political parties. In 1972, he bought Franklin National Bank.

However, his empire, erected on shaky foundations and connected both with the Sicilian Mafia and the association of financial and political intriguers known as the P2 masonic lodge, collapsed in 1974 when interest rates and currency movements turned sharply against it and a rescue plan was vetoed by the Italian Government. Mr Sindona was given a 25-year prison sentence for fraud and perjury in New York in 1980.

Whether Mr Sindona, 65, committed suicide or was murdered, he died without explaining all that he knew of the mysterious events in recent *Italian* history with which he was connected.

Still to be explained are the exact nature of his links with the Mafia, the Vatican and leading Italian political figures; the true role of the P2 masonic lodge and the identity of his real leader – if there was one; and the truth about the death of Mr Roberto Calvi, the Milan banker who died hanging under Blackfriars Bridge in London in 1982.

For some people in high places in Italy today, the fact that Mr Sindona will not answer these questions may be cause for relief. But the state has to face the shame of once again being outwitted by criminals.

There are two basic theories about Mr Sindona's death. One is that he took some cyanide which

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Confusion in London over Leyland talks

BY MARGARET VAN HATTEM IN LONDON

THE BRITISH Government will today set about picking up the pieces after the collapse of talks with General Motors over the sale of BL Trucks and Land Rover.

Mr Paul Channon, Trade and Industry Secretary, is expected to brief his Cabinet colleagues later today on his talks with GM representatives on Friday which led to a GM statement a few hours later announcing the collapse of the talks. A House of Commons statement is expected on Tuesday.

Senior ministers last night appeared confused and ill-informed on the affair, and were unable to confirm or deny GM's announcement that the Government had withdrawn Land Rover from the deal.

Members of the Cabinet committee set up to monitor the affair, which last met 10 days ago, appeared to have been taken unawares by the latest developments and insisted that if any decision had been taken to withdraw Land Rover, it was done without their participation.

Some suggested that Mrs Margaret Thatcher, the Prime Minister, Mr Channon and Mr Norman Tebbit, the Tory Party chairman, might have taken the decision as a result of backbench pressure; others appeared reluctant to accept that the talks were at an end and suggested the apparent breakdown was a tactical manoeuvre.

A senior GM spokesman said yesterday that the Government had changed the basis of the talks. "For the moment tha whola thing has been aborted until something else happens," he said. "The Government withdrew the Land Rover part of the deal which made it totally non-viable."

In an official statement on the breakdown of talks, issued last night, the company said: "General Motors has been informed by Her Majesty's Government that its proposal for the acquisition of BL's commercial vehicle business will not be supported.

"We appreciate the dedication and hard work that representatives of Land Rover, Land Rover-Leyland and the Government brought to the negotiations and believe that it is unfortunate that our proposal was not accepted."

GM's negotiating team have returned to the US, and are understood to have no plan to return.

However Whitehall refused yesterday to confirm GM's account, saying the Government had reached no final decision

Kenneth Gooding writes: GM will brief Bedford employees today saying that it is disappointed the potential deal with Leyland did not work out because it offered the best chance for the group to establish a strong commercial vehicle base in Britain.

The US group has been unsuccessful in merger talks with MAN of West Germany and Enasa of Spain, as well as with the UK Government over Land Rover-Leyland, "so we still have a big problem to resolve," a GM spokesman said last night.

"There is no doubt that unless we get into bed with someone – and Leyland does too – the UK truck industry will run into some serious problems before long."

Leyland-Daf distribution deal, Page 18

Anxiety in Italy over exports of lethal wine

By Our Rome Correspondent

ITALIAN OFFICIALS and leaders of the wine-making industry are deeply concerned after action taken against Italian wine imports by West Germany and France. The measures follow several deaths and cases of severe illness among Italians drinking wine with an illegally high chemical content.

West Germany has ordered checks of Italian wine made in the north-western region of Piedmont, one of the two regions suspected of being the source of the lethal wine, and has advised people not to drink certain Piedmont wine.

France meanwhile, has impounded three ships carrying wine in bulk from Apulia in south-east Italy.

In Italy, five people have died and about two dozen more are in hospital, some gravely ill, after drinking table wine bottled by the Piedmont family company of Vincenzo Odore. It was discovered that the wines contained 5.7 per cent methyl alcohol, an additive which may not legally exceed 0.2 per cent for white wine and 0.5 per cent for red.

By injecting methyl alcohol, the winemakers are able to short circuit the production process and produce wine at very low cost. Consumers associations in Italy have advised Italians not to buy wine costing less than L1,500 ($1.05) per litre because it is believed to be almost impossible to produce wine legally and make a profit at less than that retail price.

The Italian authorities are trying desperately to establish the original source of the lethal wine.

The fact that the French authorities have seized a cargo of bulk wine from Apulia suggests that the adulteration of the wine may have occurred there rather than in Piedmont.

Opec reaches 'consensus' on cuts in output

BY RICHARD JOHNS IN GENEVA

MEMBERS of the Organisation of Petroleum Exporting Countries (Opec) have reached a general consensus to cut their total output to between 14 million and 15 million barrels a day (mb/d) for at least the second quarter of 1986 in a bid to stimulate oil prices.

However, representatives of the 13 member states were unable to agree on the level of the output ceiling most likely to boost prices amid doubts about the present level of demand.

The conference has lasted eight days, a reflection of Opec's concern over the fall in oil prices by about one half since December, as well as the need for corrective action.

The doubts over a new output ceiling were related to difficulties in agreeing the extent of production sacrifices each member state would need to make.

Senior delegates yesterday gave any deal a 50-50 chance of success. Much of this rested on the willingness of producers, such as Saudi Arabia and Kuwait, to accept a proportion of total output below that agreed when the 16m b/d ceiling was set in October 1984.

Another problem is Iran's refusal to concede a bigger share to Iraq, its foe in the 5½-year war of attrition. Iraq is seeking a 13 per cent slice of the cake compared with 7.5 per cent agreed 18 months ago.

Sheikh Ali Khalifa al Sabah, Kuwait's chief delegate, has emphasised that his country wanted an agreement and would be prepared to make any necessary concessions. He has claimed credit for proposing a 14m b/d ceiling.

Pravda, the Soviet Communist party daily newspaper, yesterday said the current oil price war had been stage-managed by leading oil companies and Western governments as a way of plundering developing countries.

The feeling now among some delegates is that, in the event of failure to reach accord on quotas, the meeting would issue a communique setting a lower production target and then adjourn to give ministers the chance to consult their political masters back home.

Lack of trust among members generally seems to be a major obstacle

Sheikh Ahmed Zaki Yamani, Saudi Arabian Minister of Oil, has been sphinx-like in his inscrutability towards many delegations and the media. Noises from his camp suggested today that Riyadh still doubted the will of other members to honour any commitment.

Mr Gholamreza Aghazadeh, Iran's chief delegate, has continued to question whether Saudi Arabia wants a deal. Iran, together with Algeria, which has substantial exports of natural gas and condensates not covered by Opec agree-

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UK onshore exploration licences, Page 18

Australia accuses EEC of undermining dairy prices

BY WILLIAM DULLFORCE IN GENEVA

AUSTRALIA has accused the European Community of using secret subsidies on dairy exports to undermine Australian farmers' Asian markets. The subsidies, they say, could lead to a price war and to the collapse of the world dairy market.

The EEC action has forced the price of skimmed milk powder down by 25 per cent in a matter of days and brought prices for butter and butter-oil down to the minimum levels prescribed under the General Agreement on Tariffs and Trade (Gatt), the Australians claim.

Their charges were made at a meeting of the Gatt dairy council last week. The council monitors the International Dairy Arrangement (IDA), a scheme aimed at setting minimum prices for dairy products on world markets.

The European Community has said that sale prices will not be allowed to fall below the Gatt minimum. Recently, however, it introduced a new "unpublished tender" system for dairy exports, under which the size of subsidy payments is not revealed.

The Australians claim that higher subsidies are encouraging sales at prices below the IDA minimum of $1,000 a tonne for butter and $1,200 a tonne for butter-oil.

They have no evidence that butter sales have actually taken place at prices below the minimum but claim that rumours of such sales are already destabilising the market.

The world price for skimmed milk powder, which had been strengthening, has tumbled since the Community's new scheme was introduced from a range of $820–$860 a tonne to $650 and is fast approaching the IDA minimum of $600, the Australians say.

Australian officials say the decision to raise the subsidies issue in the Gatt dairy council had been taken before the EEC recently announced the postponement of the annual ministerial talks with Australia. It was not intended to aggravate the already highly fractious relations between Brussels and Canberra.

The Australians are determined to keep their markets, if necessary by following others' price cuts. Mr Alan Oxley, the Australian ambassador to Gatt, warned that the "collapse of the world dairy market" would not offer the EEC a cheap way of reducing the enormous surpluses of dairy products that its "inefficient practices" had created.

Butter stocks held by the EEC were estimated to be 1.2m tonnes in a report published by the Gatt secretariat in December.

The Australians believe that Indonesia is one of the primary targets for what Mr Oxley labelled the *EEC's "predatory subsidies."*

The EEC first breached the IDA in 1984 when it sold 220,000 tonnes of butter to the Soviet Union below the agreed minimum price. The US then withdrew from the IDA.

Last year the EEC was allowed, under the IDA, to sell a further 100,000 tonnes of ageing butter from its stocks to the Soviet Union, but it has apparently not been able to complete that deal with Moscow.

EEC farm price talks, Page 2

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OVERSEAS NEWS

Shultz to hold talks in Ankara

By David Barchard in Ankara

THE US Secretary of State, Mr George Shultz, arrives in Ankara today for two d--- of talks with the Turkish Government including President Kenan Evren, and Mr Turgut Ozal, the Prime Minister.

The still uncompleted Defence and Economic Co-operation Agreement between Turkey and the US and relations between Greece and Turky and the Cyprus dispute are likely to occupy most of the agenda.

It is expected that Turkey and the US will announce they have agreed on a new pact to replace the previous one. The pact's five-year term expired on December 19.

The US has allowed the negotiations to proceed at a gentle pace, feeling that Turkey's original insistence on more economic and military aid, guaranteed over five years rather than subject to annual approval by the US Congress, was unattainable.

Turkey's negotiating position is believed to have shifted in recent weeks to a request for more economic and industrial co-operation. It would like to see more joint ventures in the arms industries. A $4.2bn (£3bn) joint venture is already under way with General Dynamics of the US to co-manufacture F-16 fighter jets.

Building tax tension runs high in Sicily

BY JAMES BUXTON IN ROME

TENSION WAS still high in Sicily yesterday on the seventh day of serious protests against a new tax on illegal construction.

Over the weekend, the central government in Rome flew hundreds of police reinforcements to the island from cities in northern Italy.

Police were yesterday reported to have broken the protesters' blockade on the main outer strada connecting Palermo, the capital, in the west of the island, with the city of Catania in the east.

Blockades around the cities of Agrigento in the south and Syracuse east were also reported to have been lifted, but the main railway between Palermo and Messina to the east was still blocked.

The protest is against a new law which gives an official pardon to anyone who has breached building regulations in the past 40 years, on condition that they declare it by the end of this month and pay a fine.

The law applies all over Italy and Sicily, but the worst offenders are in southern Italy and Sicily, where it is reckoned there may be 3.5m illegal homes, not to mention unauthorised alterations.

Whole suburbs have been built illegally, and usually the municipalities have not installed drains or lighting.

The Sicilians claim that they are exceptionally heavily penalised because the laws on the amount of building permitted in the island were drawn up when much of Sicily consisted of large estates.

When estates were broken up, smallholders found they could make a living on small plots and still build houses on part of their land.

They did not seek planning permission because they believed it would take too long and would probably be refused. Many Sicilians now face fines running into thousands of pounds.

The protest against the new law has taken on some of the appearances of a traditional southern revolt, with violent clashes between police and protesters.

In many cases, the mayors of the cities involved support the protest, though they have tried to dissociate themselves from its more violent manifestations.

So far, the government in Rome has stood firm against the protest, but a parliamentary committee—which has legislative powers—will today discuss the issue, and could could make amendments to the law.

Yugoslavia set to press Howe on debt agreement

BY ALEKSANDAR LEBL IN BELGRADE

YUGOSLAVIA is expected to press Sir Geoffrey Howe, the British Foreign Secretary, who arrived here last night for a two-day visit, for a multi-year rescheduling of its official debts to Western governments.

Most of Yugoslavia's 16 official Western creditors have been positive about the idea of negotiating a debt accord, but the US and UK have reacted coolly.

A deal to reschedule Yugoslav 1985-88 debts to commercial banks has already been reached and will come into effect tomorrow.

Yugoslavia says it is not satisfied with trade with Britain in spite of a considerable recent reduction in the bilateral deficit. Sir Geoffrey is likely to remind his host, Mr Raif Dizdarevic, the Yugoslav Foreign Minister, that due to the increase in the number of British tourists visiting Yugoslavia the overall balance of payments flow is in Yugoslavia's favour, and that the increase in Yugoslav exports to the West depends primarily on Yugoslavia's own marketing efforts.

Czech president set to call for improved efficiency

BY LESLIE COLITT IN PRAGUE

PRESIDENT Gustav Husak is expected to echo the new Soviet call for greater economic efficiency at the Czechoslovak party congress that opens today, but to avoid any sweeping reorganisation that might release political forces bottled up since 1968.

This week's congress will be the first in East Europe since the one last month in the Soviet Union. It will be watched closely because of Soviet leader Mikhail Gorbachev's new policies towards close allies like Czechoslovakia.

President Husak, who is 73, is expected to be re-elected as party leader at the congress. He has to all appearances studiously avoided grooming a successor.

President Husak recently spoke of economic reform for the first time but it was unclear what he meant. The attempt to reform the party in 1968 was triggered by a flagging economy and the present leadership is worried by a fall in economic growth and the poor performance of industry.

US nuclear test angers Moscow

By Our Moscow Correspondent

THE Soviet Union was indignant yesterday about Saturday's nuclear test underneath the Nevada Desert, calling the explosion a brazen challenge to world opinion and warning that Washington bears responsibility for any consequences.

A commentary in the Communist Party Daily Pravda did not, however, make clear whether the Nevada test would prompt the Kremlin to resume immediate testing.

Mr Mikhail Gorbachev, the Soviet leader, announced on March 13 that he would extend Moscow's moratorium on nuclear testing beyond its March 31 expiry date until the next US nuclear test.

The Soviet Union, which has waged a strong public campaign on the nuclear test ban issue, is unlikely to renege on its past promise by testing before March 31. But it seems equally improbable the Kremlin will extend its moratorium—originally set to run from last August to December 31—a third time.

Mr Gorbachev had named movement toward a nuclear test ban as one arms control issue where progress could yield quick resolution of the tussle over the date of the next superpower summit.

EEC agriculture ministers to meet for talks on prices

BY IVO DAWNAY IN BRUSSELS

EEC farm ministers meet today for their first serious talks on the Community agriculture prices for 1986-87. The main point of interest will not be figures, however, but the personality and opinions of the new French minister, Mr Francois Guillaume.

Last night, it was still unclear whether Mr Guillaume would be attending the meeting. But reports from Paris at the weekend claimed that he has already described the two central planks of the European Commission's proposals—a 3 per cent production tax on cereals and a broad price freeze—as unacceptable to the new Government.

Mr Guillaume's reputation as a passionate advocate of farmers' interests against the mounting pressure for economies is well known. Less than two weeks ago, he condemned the Commission's prices package and firmly backed the farm unions' call for a 4.7 per cent average price rise.

As leader of the 700,000 strong French union, the FNSEA, he also demanded an aggressive trade war against rival exporters in third country markets.

The new French minister is expected to form strong alliances with Mr Ignaz Kiechle, the West German minister, and Mr Austin Deasy, his Irish counterpart, when the talks begin in earnest. The three countries could together prove a substantial opposition to the austerity policies now being advocated by the Commission.

Detailed discussion of the prices is not likely to begin until next month, when the special committee on agriculture has drawn up an agenda for tackling the main points of contention.

In the meantime, the Commission will need to prepare provisional plans for managing product sectors whose price levels should technically be set by the end of this month.

Further delays to concluding the negotiation could come from the Finance Ministers' demands to oversee any package which breaches the budgetary ceiling imposed on farm spending. Supplementary funds are certain to be needed to finance the running down of stocks and increased export subsidy costs brought about by the fall in the value of the dollar.

The European Parliament could also delay a conclusion to the talks if it fails to deliver its formal "advice" on the Commission's plans. The parliament meets on April 17 to discuss the programme.

Specific items on the Farm Council's agenda include provisions to aid sales of sugar to the chemical industry and a Commission scheme to make member states bear some of the cost of housing stocks.

Hungary moves towards easier laws on press

BY OUR FOREIGN STAFF

HUNGARY HAS taken a step toward greater freedom of the press by enacting a new law obliging officials of the Communist Party, the Government and companies to disclose information to the press. Legal action may be taken against officials trying to avoid "publicity and control" by the media.

But the authorities said they will still refuse to give replies which would "violate" the national interest. Dr Imre Markoja, the Minister for Justice, told a parliamentary debate in Budapest on Friday that the Government wanted the media "boldly and openly" to reveal all problems and shortcomings. He added, however, that this was to be done with "circumspection" and a sense of responsibility.

The Hungarian media would still serve to propagate socialist ideas and conditions and never voice views alien to socialism.

Hungarian journalists said the sticking point of the new law was the question of what constituted secrets in the national interest, which could not be disclosed.

Dr Rezső Banyasz, chief government spokesman, said the authorities would not reveal any real secrets which violated political, diplomatic or economic interests.

But he added that the law ensured journalists would encounter as few artificially created secrets as possible.

Journalists who refused to accept refusals to disclose information can appeal in civil court and are likely to do so.

The Hungarian media is already the most informative in Eastern Europe, with the possible exception of Poland. However, Hungarian journalists are frustrated by curbs on their ability to criticise what they see as the genuine social and economic problems in the country.

● The Hungarian authorities have confirmed that 11 young people were charged this week with breaches of public order during demonstrations nine days ago on the anniversary of the 1848 Hungarian uprising against Austrian rule.

● Nine women yesterday ended an eight-day fast to protest against imprisonment of peace activists opposed to military service in Poland.

The women, aged between 20 and 59, had taken only water during their fast in a village church basement in Podkowa, near Warsaw.

A statement issued after mass attended by 1,000 people named four men who had been jailed for refusing to perform military service or to take an oath of allegiance to the Soviet Union against imperialism.

Four activists of a small unofficial Peace and Freedom Movement, founded in the same church near Warsaw a year ago, had also been jailed, the statement said.

Members of the movement present in the church told reporters that nearly 1,000 Poles were now in prison for refusing to bear arms. Around 900 of them were alleged to be Jehovah's Witnesses and based their refusal on religious grounds.

Bank of Portugal chief to run for party leader

BY OUR LISBON CORRESPONDENT

THE GOVERNOR of the Bank of Portugal, Sr Vitor Constancia, has tendered his resignation to the Finance Ministry in order to run for the leadership of the Socialist Party as a successor to Sr Mario Soares, who was elected Portuguese president last month.

Sr Contancio, an able economist and former Finance Minister, is seen as the strongest contender to fill the vacuum left by Sr Soares whose uninterrupted leadership established the party as the major force in Portuguese politics after the rturn to democracy in 1974.

Before announcin his resignation, Sr Constancio is understood to have obtained sufficient pledges of support within the party to assure his election at a congress in June.

His main challengers are expected to be Sr Jaime Gama, a former Foreign Minister and Sr Antonio Almeida Santos, also a former Finance Minister. President Soares has said he will maintain a strict neutrality in the succession struggle.

Bulgaria has new Premier

BY DAVID BUCHAN

BULGARIA has a new prime minister, Mr Georgi Atanasov, as part of the latest reshuffle of government and party posts that is proving the most extensive in the Communist bloc outside the Soviet Union.

Mr Atanasov, in his early 50s, has also been made a full Politburo member. He replaces the older Mr Grisha Filipov as premier.

The latter's appointment late last week as a secretary of the party central committee puts him among possible candidates to succeed President Todor Zhivkov, 74, as party general secretary, should Mr Zhivkov decide at next month's party congress to retire, after running the country for 30 years.

The merging of several ministries was also announced in Sofia over the weekend. This continues a pattern started earlier this yaer, with the creation of three super-ministries, to streamline the central bureaucracy, following closely the line being taken by Mr Mikhail Gorbachev, the Soviet leader.

Bulgaria has always been closely attuned to changes emanating from Moscow.

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OVERSEAS NEWS

Israel trade deficit widens to $179m in month

BY ANDREW WHITLEY IN TEL AVIV

ISRAEL'S adjusted foreign trade deficit widened dramatically in February to $179m (£127m), raising fears of a fresh balance of payments crisis if the trend continues unchecked.

In January and February, imports rose on a monthly average basis by 8.4 per cent, compared with the previous quarter, while exports declined by 6.3 per cent.

Excluding diamonds and fuel, exports declined last month by $59m compared with January, to $385m—a *monthly low* not seen since the second quarter of 1984. Imports jumped by $64m to $544m, according to Bank of Israel figures.

The import and export of diamonds and the import of crude oil and fuel products are generally treated separately in Israeli trade statistics, on the grounds they do not reflect the true performance of the economy.

More alarming, however, than the *one* month's exceptionally bad trade figures is the underlying deterioration of the external accounts over the past five months.

This, at a time when the simultaneous decline of the dollar—to which the shekel is linked—and the price of crude oil should have helped the Israeli balance of payments enormously.

The introduction last July of an emergency economic stabilisation programme, accompanied by a 19 per cent devaluation of the shekel and a freezing of the exchange rate against the dollar, gave an immediate boost to the trade figures.

During the third quarter, imports declined by 8.2 per cent on a monthly average, while exports were up by a modest 1 per cent. The visible deficit, leaving aside *diamonds* and fuel, shrank to an average of only $15.9m a month.

Since then, however, the country's *performance* has not been at all encouraging on either the export or import fronts, threatening to undermine a central plank of the coalition National Unity Government's economic strategy.

In the last quarter of 1985, exports managed to continue their improvement, rising by 2.3 per cent. But imports — fuelled by an unexpected consumer boom — shot up by a disturbingly high 11.6 per cent.

No official breakdown of recent months' trade figures is yet available. But one senior Western diplomat said that while there had been some increase in investment inputs, the main problem appeared to have been an appreciable increase in consumer durables imports.

A government economic official, speaking privately, also expressed concern. But he cautioned against over-hasty conclusions, saying that an internal Bank of Israel study on *companies'* export orders pointed to an increase in revenues during the current quarter.

"It will take until the summer to tell whether the economy is beginning to grow in the right (export-orientated) areas," the official said.

"By then, it should be clear whether the current strength of domestic demand is too high to be stable."

Sudan postpones elections in south

SUDANESE authorities announced yesterday that next month's elections will be postponed in 37 southern constituencies because of fighting between Government troops and rebels, AP reports from Khartoum.

A resolution adopted at a joint meeting of the ruling transitional military council and the civilian Cabinet said balloting would go ahead in 31 southern districts as well as in areas unaffected by the three-year-old rebellion.

Elections are scheduled to begin on April 1 for a 301-seat assembly that will draft a new constitution and choose a Government.

Sudan has been *ruled* by the military council and a subordinate civilian administration since a coup against President Gaafar Nimeir last April.

The Sudan *Peoples'* Liberation Army (SPLA), led by Col John Garang, has refused to stop fighting in spite of the overthrow of Mr Nimeiri. Talks are under way in *Ethiopia* between the SPLA and an alliance of parties and trade unions which aims to settle the rebellion.

● *King Fahd* of Saudi Arabia has ordered his Petroleum Ministry to give Sudan 2.92m barrels of oil over four months, local newspapers reported, Reuter reports from Khartoum.

State-owned newspapers Al-Ayyam and Al-Sahafa said the gift was worth $62m (£41.8m), including transport, and would cover all Sudan's oil needs for the four-month period.

Shipments from the Saudi Red Sea port of Yanbu to Sudan's main refinery at Port Sudan will start immediately.

Libya last summer promised Sudan 300,000 tonnes of oil over six months, but only 150,000 tonnes had arrived by December.

Arson attack over Natal multi-racial plan

BY ANTHONY ROBINSON IN JOHANNESBURG

OPPONENTS OF long-muted *plans to create a multi-racial* administration in the South African province of Natal are believed to be behind two serious arson attacks which gutted both *the home and the* Natal University offices of Prof Lawrence Schlemmer, one of South Africa's most respected political scientists over the weekend.

Damage estimated at over R1m (£909,000) was caused to university premises by the fires, which broke out simultaneously in two places while police noted evidence of prior tampering with fire-fighting equipment.

A spray-painted sign reading "No Indaba" was found by firemen on a wall outside Prof Schlemmer's burned-out offices, which contained over 20 years of files and research work.

Indaba is the Zulu word for a meeting of chiefs. It is also the word given to negotiations between the Kwazulu homeland Government and the white Natal *administration aimed* at forming a joint legislative authority, for the white, black and Indian fragments of this largely English-speaking province *centred* on Durban.

The Indaba is due to take place in Durban on April 3 and all political parties have been invited to participate.

Both the United *Democratic* Front (UDF), which has close links with the African National Congress (ANC), and the Conservative Party have refused to take part, however, reflecting opposition to the Natal plans from both left and right.

Prof Schlemmer has been closely connected with what is called the "*Kwa-Natal*" option for several years. He also wrote a controversial report last year, which indicated that employed blacks overwhelmingly disapproved of disinvestment by foreign countries.

He also played the key role in preparing the Buthelezi Commission report of 1981, which *argued in favour* of a multiracial government for Natal, only to be rejected by the Nationalist Government in Pretoria.

Recently, however, the Government gave the green light for negotiations, partly because it wants to attract Chief Gatsha Buthelezi, Chief Minister of Kwazulu, into the recently-announced National Statutory Council.

The Council, to be chaired by President P. W. Botha, is designed to give blacks a say in the formulation of legislation and policy "at the highest level." Thus far, there have been no taker for the offer which was made at the opening of parliament at the end of January.

Meanwhile, the Port Elizabeth Supreme Court has declared invalid the five-year banning order imposed on the black consumer boycott leader, Mr Mkuseli Jack, by Mr Louis Le Grange, Minister for Law and Order, two weeks ago.

The ban, which enraged local white businessmen as well as local black communities, led to increased tension in the Port Elizabeth area and a decision to resume the boycott of white businesses today.

Malaysian Prime Minister to visit troubled state

BY CHRIS SHERWELL IN KOTA KINABALU, SABAH

DR Mahathir Mohamad, Malaysia's Prime Minister, is to visit the country's troubled eastern state of Sabah today, 24 hours after police used tear gas to break up a mass protest led by one of his main political allies.

The incident represented a *further escalation* of tension in the oil and timber-rich state, which has been disrupted by an 11-day campaign of bombings and demonstration by Moslems opposed to the *mainly Christian* state Government.

The sectarian violence, in which five people have died, and more than 2,300 have been arrested, is increasingly worrying both for Malaysia and for Dr Mahathir. The Prime Minister is expected to bring with him a political formula to ease the Sabah crisis which has its roots in the disputed state elections of last April.

Datuk Joseph Pairin Kitingan, Chief Minister in the state Government, last night accused opposition leaders of trying to regain power "by any means possible" and said they had fabricated malicious allegations against his party "without regard for the frightful consequences of their actions." He called for a special royal commission to be set up to disprove the allegations.

Yesterday's demonstration by 500 Moslems, in Kota Kinabalu, the capital, was one of five illegal processions

At the forefront in the capital was Datuk Harris Salleh, leader of the Berjaya Party, which was beaten in Sabah's state elections last year, but which remained part of Dr Mahathir's ruling coalition in Kuala Lumpur.

After tear gas was used, Datuk Harris retreated with the other demonstrators into the state mosque, where police padlocked them in and took their names before releasing them. Summonses will be issued for them to appear in court.

S. Korean anti-government rally attracts 40,000

BY STEVEN B. BUTLER IN PUSAN

UP TO 40,000 demonstrators thronged into the streets of Pusan, South Korea's southern port city, shouting "down with dictatorship" in the largest outburst of anti-government protest since Mr Chun Doo-Hwan, the president, came to power in a military coup in 1980.

The march, which followed a rally for constitutional reform calling for a direct election of the president, has brought the challenge to Mr Chun's Government to a new height. The campaign to revise the constitution promises to snowball unless the Government takes stiff measures to prevent it.

Mr Kim Young-Sam, the leading dissident, made his first public address in eight years in Pusan, his former electoral stronghold.

The audience alternatively rolled with laughter and cheered, giving Mr Kim a thunderous welcome home as the veteran politician rediscovered his oratorical skills in a passionate call for democracy and an end to "military dictatorship." Mr Kim was under extended house arrest in the early 1980s and was released from a political blacklist only last year.

Korea's other leading dissident, Mr Kim Dae-Jung, was prevented by police from boarding a train in Seoul that would have taken him to the rally. The crowd cheered, however, as a tape recording of Mr Kim speaking was played inside a theatre, his voice booming through the streets outside over huge speakers.

In an unusual show of restraint, hundreds of uniformed police skillfully contained the crowd and made no moves to stop the rally, while thousands of riot police waited in nearby buses and in underground subway stations.

The Government has refused to consider constitutional revision prior to 1989.

Ershad clears way for Bangladesh elections

BY SAYED KAMALUDDIN IN DHAKA

BANGLADESH military President Lieut Gen Hossain Mohammad Ershad yesterday cleared the way for parliamentary elections in May with the acceptance of resignation letters from 17 ministers in his 31-member Cabinet.

Over the weekend he ordered the winding up of all regional and local martial law administrator posts, military courts and special military tribunals, thus fulfilling his commitment to create a "congenial atmosphere" for the opposition parties to participate in the elections.

The two major opposition alliances—the Fifteen Party and the Seven Party — had demanded that the April 26 election date be delayed, that all ministers who would seek *election first resign their* posts and that the martial law administration be dismantled.

The Fifteen Party alliance, led by Sheikh Hasina Wajed, the Awami League *chief*, has agreed to take part in the polls, but the Seven Party alliance led by Bangladesh Nationalist Party (BNP) chief Begum Khaleda Zia listed three further conditions—the restoration of fundamental rights, release of all political prisoners and the cancellation of all convictions of *politicians by military courts*

Nine BNP national leaders, who were ministers in the last government toppled by the military in March 1982, have been barred from taking part in any elections for five years.

Pakistan opposition holds anti-Zia rallies in Punjab

PAKISTAN'S opposition held big rallies in Punjab province yesterday to demand fresh national elections and to urge President Mohammed Zia-ul-Haq to quit office, opposition sources and witnesses reported, Reuter reports from Rawalpini.

The largest rally, organised by the 11-party Movement for *the Restoration of Democracy* (MRD), was held at Rawalpindi near Islamabad.

A crowd estimated at over 60,000 people chanted slogans against General Zia hours after he attended a big military parade to mark Pakistan's national day.

Rallies were also held in more than 20 other Punjab towns to demand the restoration of the 1973 constitution without amendments made by Gen Zia before he ended eight and a half years of martial law on December 30.

Opposition officials said the rallies rejected the present national and provincial parliaments and demanded elections which all parties would be allowed to contest.

"Zia came through the back door . . . *and he must quit,*" Mr Tikka Khan, Pakistan People's Party (PPP) secretary general, told the cheering Rawalpindi crowd in Liaquat Bagh park, *only about* a mile from Gen Zia's official residence.

The PPP, founded by Mr Zolfika Ali Bhutto, former Prime *Minister*, who was executed after Gen Zia seized power in a 1977 coup, is the main force in the MRD.

Egypt tries to revive peace process

By Tony Walker in Cairo

EGYPT CONTINUED efforts at the weekend to shift the stalled Middle East peace process out of the rut into which it has fallen following the near-collapse of an accord between King Hussein of Jordan and Mr Yassir Arafat, chairman of the Palestine Liberation Organisation.

Mr Hosni Mubarak, Egypt's President, yesterday held three hours of talks with Mr Arafat in Cairo, just two days after his discussions with King Hussein who visited the Egyptian capital briefly on Thursday.

Egypt is seeking to reconcile Jordan and the PLO following King *Hussein's* February 19 declaration that he could no longer work with Mr Arafat, who, he said, had failed to keep his word. Egyptian officials are concerned that an estrangement between the King and moderates in the PLO will encourage extremist Palestinian groups backed by Syria.

Egypt, like Jordan, has been pressing Mr Arafat to endorse UN Resolution 242 which implicitly accepts *Israel's* rights to exist behind 1967 boundaries. But the PLO remains opposed on the grounds that the UN resolution does not address Palestinian *claims* to *statehood*.

Mr Arafat said after his meeting with Mr Mubarak that he was awaiting an American response to proposals *he had forwarded to* Washington for consideration. He blamed "US intransigence" for lack of progress in peace efforts.

King Hussein said in February that his peace initiative had collapsed because Mr Arafat refused to accept a US commitment to the "realisation of the legitimate rights of the Palestinian people" and insisted instead on a US commitment to "Palestinian self-determination."

Mr Arafat at the weekend also met Mr Marrack Goulding, UN under-secretary general for political affairs, who said that the gap between the US and PLO positions is "probably as narrow as it has ever been." He said the PLO and the US are close on conditions for an international Middle East peace conference.

David White writes from Madrid: Madrid is to give virtual embassy status to the Palestine Liberation Organisation as a sop to Arab sentiments following the establishment of formal diplomatic relations between Spain and Israel.

Mr Francisco Fernandez Ordonez, the Spanish Foreign Minister, returned at the weekend after talks in Tunis with Mr Chadli Klibi, Secretary-General of the Arab League. He said he had told Mr Klibi that the PLO's office in Madrid would be raised to a status "similar" to that of other foreign missions.

Nkomo calls for Matabeleland peace

Zimbabwean opposition leader, Mr Joshua Nkomo and one of his bitterest political rivals yesterday joined forces to urge residents of Matabeleland *to help the* Government bring peace to the troubled province, Reuter reports

Speaking with Mr Nkomo at an unprecedented joint rally was Home *Affairs* Minister Enos Nkala, who said he had come to seek "peace among the different tribes in the nation." Mr Nkomo said the meeting at the remote southern mining area of Kezi in the heart of his Matabeleland power base was the first in a *provincial* tour with Nkala.

Union Carbide agrees deal on Bhopal claims

BY WILLIAM HALL IN NEW YORK

UNION CARBIDE, the embattled US chemicals group, has reached a tentative settlement with the lawyers for the victims of the 1984 Bhopal gas leak in India. If the deal is ratified the company would pay $350m (£233m) to settle the claims arising from the world's worst industrial disaster.

The settlement, which has yet to be agreed to by the US courts or the Indian Government, marks the first time that Union Carbide has indicated how much it would pay to settle the claims resulting from the leak at its pesticide plant in December 1984. More than 2,000 people died and over 200,000 were injured after methyl isocyanate gas escaped from a storage tank.

There has been widespread speculation on the size of the settlement and there bad been reports that the Indian government was seeking up to $1bn in damages to cover its costs for providing emergency aid as well as meeting the claims of the injured.

Union Carbide said that the $350m paid over a period of time would produce a fund for the victims of between $500m and $600m.

In a prepared statement yesterday it said that while it bad agreed to *go forward* with a tentative settlement with the attorneys of private plaintiffs "before the settlement can be concluded, Union Carbide must be satisfied that the claims *arising from* the *Bhopal* incident can be resolved with finality."

The Indian Government is not a party to the proposed settlement which was hammered ont by attorneys representing Union Carbide *and* the *private plaintiff'a* in front of Judge F. Keenan in the US court of southern New York in Manhattan. In e bid to force beth sides to negotiate and avoid lengthy litigatien, the *Judge has* delayed making a decision on whether the trial should be beld in New York or India.

The Indian Government, which bas been pursuing a separate *law suit on behalf of itself* and all citizens of India wbo were killed or maimed by the Bhopal tragedy, is known to be anxious to have the case heard in the US courts because it believes *the size of the* award would be greater than if the case was held in India.

Union Carbide's lawyers are clearly hoping that the Indian Gevernment will drop its claims *and support the settlement* which is designed to cover all claims against the company.

Union Carbide had $382m of cash and liquid assets in its balance sheet at the end of 1985 and *is* thought *to have* had $200m ef liability insurance at the time of the accident. Wall Street analysts believe that it has sufficient funds to cover the proposed settlement without *unduly harming* the company's financial condition.

Brazil halts petrol substitution programme

By Robert Graham in Brasilia

THE Brazilian Gevernment has frozen development of *Proalcool*, *its costly* programme involving the substitution of alcohol for petrol.

No formal decision has been announced but Mr Joae Sayyad, Planning Minister, *told the FT that the government* envisaged a freeze on investment at least until 1989-90. Since the project's launch in 1975 nearly $8bn (£5.3bn) had been invested.

Mr Sayyad said Brazil would not drop the programme altogether. "We will keep development frozen but we intend to retain the alcohol programme as a strategic asset."

Even before the slide in oil prices, Proalcool had become increasingly controversial. It was criticised for distorting economic development and for expense. Subsidies were costing almost half as much again as the investment.

The cost of producing by alcohol the energy equivalent of a barrel of oil varies from $30 to $45, depending on where the sugar cane is grown.

This compares with international oil prices of below $15 and a maximum cost of domestic crude production from the Campos Basin of $15. *Nevertheless, through* subsidies to promote alcohol the Brazilian consumer pays 65 per cent of the petrol price. Thus the public pays just over a third of the real production costs of alcohol.

The programme was developed in the wake of the 1973 oil price rises and before Brazil had discovered crude in substantial quantities offshore. Its expansion was assured by generous incentives to sugar cane producers, distilleries and car manufacturers. Of last year's new car sales, 590,000 ran on alcohol and only 25,000 were petrol engined. Brazil now consumes the equivalent of 131,000 b/d of alcohol and 124,000 b/d of oil.

Proalcool employs 700,000 directly and 1m indirectly.

Moscow launches bid for observer status in Gatt

BY WILLIAM DULLFORCE IN GENEVA

THE SOVIET UNION is seeking ebserver status in the General Agreement on Tariffs and Trade, the Geneva-based organisation wbose primary aim is to liberalise world trade, Mr Mikhail Pankin, the Soviet Foreign Trade Minister, announced bere on Friday.

The Soviet bid is apparently linked with the new round of multilateral trade negotiations due to be launcbed under the Gatt eegis in September. The round could have "global implications" whicb made it essestial for all interested countriea to be able to take part, Mr Pankin said.

Moscow's application is likely to be opposed by the US and the European Economic Community, both of whicb stated at the last meeting of the Gatt council that they would not allow more observers to be designated until *consultationa emong* Gatt members about the exact nature ef observer status had been completed.

New members and observers have to be approved by con*sensus* of Gatt's *existing* 90 members. It has been suggested that countries have been seeking observer status to obtain insight into Gatt activities without any commitment to following its rules.

This suspicion has been voiced in the case of the Soviet Union, whose officials have on several occasions over the past four years, raised the question of observer status with Gatt members and the Gatt secretariat.

Mr Pankin admitted yesterday that "some important countries" had not shown the political will to respond to Moscow's wish te become an observer. But the Soviet Union had been encouraged by the positive reactien of many other Gett members, he said.

China already has observer status in Gett and has announced that it will epply for full membership. Although China's announcement was received sympathetically by the large Western *countries, doubts* bave been expressed about how China'a trading practices can be made compatible with Gatt free trade rules.

Four other *East bloc* coun*tries* — *Czecboslovakia*, Hungary, Poland and Romania—are already members of Gatt.

Occidental in Peru oil search pact

By Doreen Gillespie in Lima

OCCIDENTAL Petroleum Corporation has signed two new contracts with Peru in which it agrees to invest a minimum $267.5m (£190m) in jungle oil exploration over the next six years.

The agreement, signed by the government despite strong opposition from the Marxist parties, is the Peruvian Government's first positive move towards *foreign* investment since it took office last July.

The contracts replace those rescinded by President Alan Garcia in August last year, followed by the expropriation at the end of December of Peru'a only other foreign oil producer, Belco Petroleum Corporation of New York.

Occidental is to undertake new drilling in the northern jungle where it already produces an average 80,000 barrels *a day*.

At the same time, it is to explore a new 1m bectare block in the central southern jungle. This is near the area where Royal Dutch Shell, exploring since *1982, made* e *gas find*

The new contracts, while forcing Occidental to reinvest tax exoneration epproved by the previous Administration, also gives the company advantages it had long requested.

The former 50-50 production split has been replaced by a fee pegged to international oil prices for every barrel of oil produced.

Occidental had long requested a new jungle exploration area.

IADB ANNUAL MEETING

Concern over Latin America investment

BY PETER MONTAGNON IN SAN JOSE,

THE CONTINUING stagnation of domestic investment in Latin America is now "a matter of the greatest concern for the future development of the region," the Inter-American Development Bank warns in its annual report published today.

The report, which also discloses e sharp fall in the bank's own loan commitments to Latin America last year, says there bas still been no significant recovery in investment spending which is running at 30 per cent below its peak of $167bn (£119bn) reached in 1980.

Short-term austerity measures forced on Latin American governments by the debt crisis which started in 1982 must now give way to a more orderly economic policy based on assured investment and financing, it says.

A shortage of local investment in development projects was one of the main reasons behind the fall of nearly $500m —$3.06bn in the bank'e loan commitments to Latin America last year.

Like the World Bank before it, the Inter-American Development Bank *has thus had* to reveal a contraction in its own support for developing countries at a time when they are facing dep payments crisis and falling living standards.

Moreover, its annual meeting, which opens here today, is likely to see fierce debate over the size of the bank's next capital increase. This will determine the amount it can lend betwen 1987 and 190.

In initial talks here this weekend, the US bas made plain that its support for a capital increase is dependent on the Inter-American Development Bank switching to greater emphasis on programme lending with tough policy conditions attached, in line with the so-called Baker plan for easing the debt crisis.

One senior Latin American delegate said this was "a great shock for the bank" which has traditionally concentrated on lending specific projects and shunned involvement in economic policy-making in member-countries.

However, the US delegation, which unusually, is led by a relatively low-ranking official in the form of Mr James Conrow, deputy Assistant Treasury Secretary, is proving tough in its demands.

One condition it is seeking in return for supporting a capital increase is a change in board voting rules raising the majority required to approve individual loans to 65 *from* 50 per cent.

This would give the US an effective veto right, as it holds 34.5 per cent of the bank's shares.

The question of a capital increase is becoming urgent as the bank's present lending authority runs out at the end of this year. But there seems little chance of an agreement at this week's meeting.

Mexico to hold talks with bank creditors

BY PETER MONTAGNON

MEXICO will hold informal talks with its main bank creditors at the Inter-American Development Bank anual meeting which *opens* in San *Jose*, Costa Rica, today, but it is still not ready to make any formal requests for loans to cover financing needs for 1986, senior officials said.

Among factors that have to be decided first is the amount of money Mexico can expect to receive from non-bank sources including governments, the World Bank, the Internetional Monetary Fund and the Inter-American Development Bank.

Mexico has already said its total requirement for 1986 is around $4.2bn to $6bn, but the officials said that even this figure fluctuates from day to day depending on movements in the oil market.

As a result, it has been unable as yet to formulete a full financing programme, though in background comments over the weekend *they reaffirmed their* determination to seek relief on creditors, as part of this year's package.

This would be one means of avoiding the need to obtain Congressional authorisation for a further increase in the foreign borrowing limit which has already been set at $4bn for 1986.

Such a request could run into difficulties as there is growing opposition within Mexico to the idea of running up yet more debt just to offset the fall in oil prices.

The delay in putting this year's financing request to bank *creditors means that a principal* repayment of $950m which falls due at the end of this month will almost certainly have to be deferred again temporarily. This will happen pending a decision on whether *it* should be consolidated into this year's overall requirement.

However, despite widespread rumours that its reserves are running low, the officials said Mexico has no present need for bridging finance.

One official said negotiations with the International Monetary Fund on an economic programme for 1986—a key element in this year's package—should be complete "within a matter of weeks."

Agreement with the IMF has already been reached on exchange rate and interest rate policy, leaving only the size of the budget deficit to be decided.

Manila begins shake-up of Tourism Ministry

BY FRANK GRAY

THE PHILIPPINES Government has begun a shake-up of its Teurism Ministry in an attempt te boost the flagging fortunes of the industry.

The Government recently announced the appointment of Mr Jose Antonio Genzalez as Minister for Tourism. He succeeds Mr Jose Aspiras, who stepped down *following* the recent collapse of the Government of Mr Ferdinand Marcos.

Mr Gonzalez said the departure of Mr Marcos put the Philippines in a good position *to turn its tourism industry* around.

"Emphasis will be placed on marketing the Philippines as a truly refreshing discovery of people who are friendly . . . and committed to freedom and democracy," he said.

His first move was to appoint four deputy ministers and a senior officer in charge. The deputies will be responsible for marketing end promotion, advertising, *public relations* and tourism.

Foreign revennes from tourism peaked in 1983 at $484.7m (£310m), compared with $450.1m the year before and $343.7m in 1981. But they fell sharply to $385.2m in 1984, the year of the assassination of Mr Benigno Aquino, the opposition leader and husband of Mrs Corazon Aquino, the new *president*.

Revenues for 1985 are expected to show a further deterioration.

For the first ten months of 1985, the number of foreign visitors totalled 627,948, down 4.9 per cent from the corresponding 1984 period.

WORLD TRADE NEWS

David Marsh looks at the commercial side of nuclear conflict

UK exporters enter the lion's den

A GRISLY exhibition of heavy-duty tank coverings, wristwatch-style radiation metres and flame-retardant nylon smocks last week at the British embasy in Paris underlined the commercial side of the West's efforts to prepare for nuclear and chemical warfare.

The show, laid on by the UK Defence Ministry's Defence Export Services Organisation and paid for by eight participating British companies, represented the biggest effort so far by the UK to step up exports in a ghoulishly sepcialised field of military equipment.

The two-day event visited by a steram of top-level French military officials and defence companies attracted a higher atendance than expected.

"We're going into the lion's den," said a top British official, emphasising that the French market for military equipment has traditionally been one of the hardest for British companies to enter.

"We're here to get exposure," was the most freqpent comment from the companies displaying wares ranging from radiation and toxic gas detectors to equipment enabling fighter pilots to slake their thirst without harm while flying through fall-out.

The display of defences against nuclear, biological or chemical (NBC) weapons illustrates the seriousness with which British forces—although not, of course, the civilian in the cellar—have already geared themselves towards the possibility of this type of warfare.

Many of the companies taking part already have their goods in place with armies on the Continent, either through direct sales or, more frequeatly, through contracts with the US and Britain whose forces are stationed in West eGrmany.

Greengate Polymer Coatings, for instance, a subsidiary of the BTR group, featured rubber-clad impermeable covers for West German Leopard tanks and personnel carriers.

The company also provides fabric which is made up into mobile hospitals offering 48 hours' NBC resistance for British forces. "The Germans are most forward in protective ideas," said a Greengate salesman.

Now that the French military have abandnned the idea of banking on Germany as a buffer againsta Soviet attack, France has been taking the threat of chemical warfare much more seriously.

The Lewlsham-based Fisher Controls company, which has sold to the UK Defence Ministry 2,500 mobile radiation meters and 250,000 dosimeter lockets that can be strapped in soldiers' wrists, sold an initial batch costing about £3,000 each—to France a few years ago.

Apparent inability of the French military to develop a comparable home-made version of the Fisher products has sputred the company's hopes of winning a much larger order to bring the equipment into operation with French forces.

Graseby, part of the Cambridge Electronic Industries group, was displaying a portable hand-held instrument for monitoring the presence of nerve and blistering gases.

The company has won an order from the US Defence Department and has units starting trials in Spain. But winning orders from "France will be difficult," said Mr Colin Wainwright, military sales manager.

Bondina was showing gas-absorbing charcoal laminates which, combined with Courtaulds fibres designed to give protection from nuclear flash, are made up into clothing for the British forces.

Normalair-Garrett, a Yeovil-based company owned 52 per cent by Westland Helicopters, is at the "firm inquiry" stage of selling its NBC filtration units to Saudi Arabia.

Mitsubishi in China power deal

A CONSORTIUM comprising Mitsubishi Heavy Industries, Mitsubishi Electric Corporation and Mitsubishi Corporation has signed a contract to sell four coal-fired generating units to two Chinese power stations, Reuter reports from Peking.

The group signed the contract at the weekend with the Huaneng International Power Development Corporation of China. It will supply two units each to the stations in Dalian and Fuzhou.

An official of the Import-Export Bank of Japan said the value of the contract was $378m (£264m).

The bank lent the consortium $220m to lend to Huaneng at 8.8 per cent interest over ten years, the official said.

Three credit packages totalling $792m are being formed to fund Chinese coal-fired power plants, Hong Kong bankers said.

Negotiations for a further $150m in combined Canadian and US export credits for Hnaneng are moving ahead, and syndication of a $427m credit for Hopewell Power (China) Ltd had begun.

The Huaneng deal is in three parts, arranged and managed by Chase Manhattan Asia and China Development Finance Company (HK) (CDF), a Bank of China subsidiary.

Hong Kong rejects Washington calls for new textile curbs

BY DAVID DODWELL IN HONG KONG

THE HONG KONG Government has rejected US calls for new restraints on the export of textiles and garments to the American market.

Mr Hamish MacLeod, Hong Kong's Director of Trade, had held two days of talks with a US textile delegation headed by Mr Charles Carlisle, the chief US trade negotiator.

Mr MacLeod said after the talks that Hong Kong could not accept proposals for garment exports to be pegged for three years at 1985 levels, nor for garments not at present subject to quota to come under restraint.

Hong Kong's bilateral textile agreement with the US does not expire until the end of 1987. The call by the US Administration for early renegotiation comes as major textile exporters make final preparations for negotiation of a new Multi-Fibre Arrangement (MFA). The existing agreement expires in July.

At the end of the talks, Mr MacLeod "queried the rationale for selecting Hong Kong for specially restrictive treatment." About 95 per cent of Hong Kong's apparel exports are already subject to quota limits, he said.

The US demands, seen as a response to protectionist pressures there, were incompatible with the progressive liberalisation in textiles trade being sought in the MFA negotiations, and incompatible with the existing bilateral agreement, he added.

Mr Carlisle, who noted that similar talks have been convened with other major textile exporters, said that the US Administration was "asking for the co-operation of Hong Kong and other major suppliers to ensure the continuation of an orderly trading system from which all can benefit."

He complained of "serious problems" caused by the recent rapid increase in textile imports to the US.

He noted that Hong Kong sold 49 per cent of its textile exports to the US, worth about HK$25bn (£2.3bn) in 1985, and alone accounted for 16 per cent of all textile and apparel imports into the US.

There was concern to meet the demands of small and poor developing countries that are trying to raise their exports to the US. Major Asian textile exporters have, however, seen the US move as a "divide and rule" ploy ahead of the Geneva MFA talks in July.

● The southern Chinese province of Guangdong has set up an international trading group with subsidiaries in the US, Japan and Australia, intended to build direct trading links with importers overseas. The province wants to break the stranglehold Hong Kong traders have over a large share of the province's fast-growing foreign trade.

The trading group, called the Guangdong Overseas Economic and Trade Corporation, has opened separate subsidiaries operating in New York, San Francisco and Sydney, and is negotiating a new subsidiary in Bangkok.

According to Zheng Le, deputy director of Guangdong's Foreign Economic Relations and Trade Bureau, the corporation is intended to improve awareness inside China of the sorts of products in demand in foreign markets, and quality standards expected of exported goods. It is also expected to lay the foundations of an international marketing network for Guangdong goods.

Until recently, Peking-based trading corporations had a monopoly over China's foreign trade. As the economy has begun to open up, with export promotion being given strong political backing, so this monopoly has been broken down.

A large number of provinces have set up trading offices in Hong Kong, using the enclave as a springboard for trade promotion, but Guangdong's move is understood to be the first by a provincial authority to forge direct links with major trading partners.

SHIPPING REPORT

Opec price talks brighten tanker market outlook

FINANCIAL TIMES REPORTER

OIL PRICE and production negotiations among Organisation of Petroleum Exporting Countries' ministers helped brighten the tanker market last week. Business was brisk and rates strengthened, even though the talks proved inconclusive.

Shipbrokers E. A. Gibson said that since the oil prodncers' ultimate aim was to raise prices, probably through restrictions on output, both buyers and sellers semed eage to move oil cagoes while production remained high and prices were low.

Galbraith's also reported tanker fixings continuing rapidly except for owners of very large crude carriers (VLCCs) looking for business in the Middle East.

Demands for vessels of this size was virtually non-existent, the company said, with most interest focused on 125,000-tonners.

It added that if Opec were to agree on oil production limits, VLCCs would probably find it even harder to find regular business while the smaller vessels would benefit further since charterers would be able to obtain only smaller parcels.

Despite the activity in most markets, few owners were prepared to venture too far north in the Gulf, where there had been an increase in reports of tankers being damaged in the conflict between Iran and Iraq. Insurance rates are expected to go up soon.

E. A. Gibson reported that the North Sea was still the most active market with a considerable number of vessels winning business at remunerative rates. Rates of Worldscale 75 and 80 have been paid for 80,000 tonners on "local" business around the UK and the Continent.

For the longer trips to the US, rates had been around Worldscale 57.5 for 65,000 tons.

US steel import fine

A WEST GERMAN steel company has pleaded guilty and agreed to pay a $3m (£2.1m) fine for importing Romanian steel into the US at artificially inflated prices, AP reports from New Orleans.

US authorities announced that Otto Wolff Handelgesellschaft entered a corporate plea of guilty to one count of knowingly making a false statement on the government form completed by the company before it brought 3,077 tonnes of steel plate through New Orleans in 1981, a US Customs Service official said.

Romania was forced to suspend shipments of its cheaper steel to the US for several years as a result.

A special investigation was started on July 30, 1984, and centred on steel imports by Intercontinental Metals Corporation, the official added.

It ultimately involved Otto Wolff America, a US subsidiary of the German company.

World Economic Indicators

UNEMPLOYMENT

		Feb '86	Jan '86	Oec '85	Feb '85
UK	000s	3,382	3,408	3,273	3,324
	%	14.0	14.1	13.5	13.7
USA	000s	8,527	7,831	8,023	8,395
	%	7.3	6.7	6.9	7.3
		Jan '86	Dec '85	Nov '85	Jan '85
W Germany	000s	2,590.3	2,347.1	2,210.7	2,619.4
	%	9.6	8.7	8.2	9.7
France	000s	2,493.9	2,436.3	2,495.1	2,541.9
	%	10.7	10.5	10.8	11.0
Italy	000s	3,133.2	3,076.1	3,052.4	2,954.6
	%	13.7	13.6	13.5	13.1
Netherlands	000s	760.8	749.5	741.8	804.2
	%	13.6	13.4	13.2	14.3
Belgium	000s	540.4	542.4	541.1	619.4
	%	13.1	13.2	13.1	15.0
		Dec '85	Nov '85	Oct '85	Dec '84
Japan	000s	1,540.0	1,590.0	1,590.0	1,420.0
	%	2.9	2.9	2.8	2.6

Source (except UK, US, Japan): Eurostat

UK NEWS

Ministers ready to bid for higher spending

BY PETER RIDDELL, POLITICAL EDITOR

CABINET MINISTERS in charge of spending programmes are prepared to challenge the Treasury by putting forward bids for substantial additional expenditure in the run up to the next general election. The election will take place at the latest in the spring of 1988.

The formal process of collating the bids by officials will not start for several weeks, but the informal indications from ministers' comments are that they could total well over £4bn from the main social and environmental programmes alone.

This is likely to lead to a direct clash with the Treasury during the summer and autumn public expenditure review. In particular, Mr Nigel Lawson, the Chancellor of the Exchequer, appeared to be pre-empting this debate in his budget speech by making further large cuts in the basic rate of income tax, a priority for later budgets, although some spending ministers say this choice is still a matter for discussion and decision.

Other senior ministers argue that it is politically necessary that a sizable proportion of any money available should be used for additional expenditure on education, housing, local authorities, the health and social security.

Some of those ministers concede, however, that in view of the buoyancy of non-oil tax revenue and the forecast strength of the economy, it may be possible simultaneously to increase spending and to reduce income tax in 1987 and 1988. For instance, there is an unusually large contingency reserve of £6.3bn earmarked for 1987-88 and £8bn for 1988-89. Some of this will almost certainly be allocated to particular programmes this year, and the fall in inflation rate also provides more scope.

The view of spending ministers is that the Government is making itself unnecessarily unpopular because of relatively small squeezes on spending. In particular, Mr Kenneth Baker, the Environment Secretary, warned Cabinet colleagues ahead of the budget that there had to be additional resources for the rate support grant to avoid the cutbacks which have this spring resulted in very large rate increases, and protests, in the traditionally Tory areas of Britain.

Mr Baker and his colleagues are also preparing proposals to reverse the decline in spending on housing and the inner cities. Similarly there is a widespread recognition within the Cabinet that substantially more needs to be spent on education to deal with the results of the teachers' dispute and to remove the grievances of those involved in higher education and science.

This mood was reflected in a weekend speech in Oxford by Mr Norman Fowler, the Social Services Secretary, to the Tory Reform Group. He stressed the importance of social policy and maintained public services, such as health and education, in the context of what he called private enterprise without selfishness.

However, the Treasury has already obtained Cabinet approval to tighten the rules over the public spending negotiations with Whitehall departments. In contrast to previous arrangements where ministers have routinely sought extra cash on existing programmes, the new procedures will provide no automatic right so that spending ministers seeking additional money will have to write to Mr John MacGregor, the Chief Secretary to the Treasury, with a detailed justification and options for offsetting cuts. A copy will be forwarded to the Prime Minister.

Some spending ministers believe that this change is of little practical importance because the decision will depend on the political balance in the Cabinet later this year and on the mood following this May's local elections and the three forthcoming parliamentary by elections.

Thatcher 'kept to the rules' on shares

By Margaret van Hattem

REPORTS that Mrs Margaret Thatcher, the Prime Minister, had been trading in shares in her own name in contravention of established conventions were strongly denied by her office at 10 Downing Street yesterday.

A spokesman said: "We view this as a private matter and the Prime Minister does not wish to make any comment on private matters. However all the rules have been observed. We are very relaxed about these reports."

Mr Dennis Skinner, Labour MP for Bolsover, has tabled a Commons question calling on the Prime Minister to make a statement about reports that, in August 1983 and October last year, she bought and sold shares in the Australian mining company, the Broken Hill Proprietary, making a £2,300 profit.

The established practice for ministers, intended to preclude the possibility of any conflict of interests, is for all their shares to be administered by a trust during their term of office.

Dr David Owen, the SDP leader, supported the call for a statement from the Prime Minister. He said at the weekend: "This is not a private matter."

Kenneth Gooding charts the collapse of negotiations to buy Land Rover-Leyland

The offer General Motors had to refuse

AFTER the collapse of negotiations for the purchase of state-owned BL's Land Rover-Leyland commercial vehicle operations between the UK Government and General Motors, a bemused executive of the US group said: "We're the victims in all this."

The GM negotiators feel they have been treated less than fairly because it was the Government that encouraged them to look at Land Rover-Leyland in the first place. It was made clear from quite early on by GM that Land Rover was an essential element in any potential deal. In the past two weeks GM struggled hard to help the Government to find a suitable compromise for Land Rover when the pressure from the Conservative backbenches to keep Land Rover British built up.

On Friday night the Government caved in to that pressure and told GM it could not have Land Rover – thus completely changing the deal an offer at the very last moment. The GM team had no choice but to withdraw.

The sorry saga started at the end of 1984 when the UK heavy truck industry was in the throes of the worst recession in living memory. Mr Norman Tebbit, then the Trade and Industry Secretary, called together the three UK-based companies – Leyland, Ford and GM's Bedford subsidiary – and urged them to talk to one another to see what could be salvaged for Britain.

Ford of Europe quickly withdrew and is in the process of finalising a different solution to its heavy truck problems: a merger with Iveco, Fiat of Italy's heavy commercial vehicle subsidiary. By the end of 1984 talks between Leyland and Bedford about co-operative ventures had made so much progress that the negotiations were widened to look at a full merger.

While the early talks concentrated on what mutual benefits there might be in putting the truck and van operations together, BL and GM insist that even at that state GM said it would like to look at the Land Rover business later.

In June 1985 the outline of a deal for trucks and vans had been prepared. Bedford heavy trucks would be replaced by Leyland's new models, launched in the previous four years as part of the group's state-funded £320m investment programme.

GM could see the benefits of taking over the Freight Rover company, which makes Sherpa vans, particularly as both Bedford and Sherpa have to replace their van ranges in 1989-90 and could share the development cost. At that stage GM formally asked to look at the Land Rover company.

By August GM had outlined proposals to buy the whole of Land Rover-Leyland except for bus manufacturing and some overseas companies. The deal could have been completed by Christmas, unhindered by the Westland factor and might even have been dressed up by the Government as something of a triumph.

GM obviously regrets it did not move faster. Mr Bob Price, the executive vice president of GM's Overseas Group, who headed the negotiating team, points out, however, that "GM had to look at everything carefully."

BL executives suggest that GM's bureaucratic structure, where proposals have to make their way through several committees, was to some extent to blame for the delay. There are also suggestions that GM's financial offer at that time was "mean."

Mr Price is well known in Britain from the time, between 1971 and 1979, when he was chairman of GM's Vauxhall subsidiary in the UK which at that time still included Bedford (since stripped out to become part of the US group's world truck and bus group, based at Pontiac, Michigan).

However, he was chosen to head the negotiating team because for more than a year he has been touring Western Europe and talking to the heavy truck manufacturers about the possibility of joint ventures with GM-Bedford.

Meanwhile in the UK everything was on course for the contract with BL to be signed in March. But the political storm broke at the beginning of February and in its wake other bidders for Land Rover emerged, including a consortium led by Mr David Andrews, the BL executive director responsible for the commercial vehicle division, which wants to organise a management buy-out; Aveling Marshall, the privately owned construction equipment company; and Lonrho, the international trading organisation.


Mr Paul Channon: Stormed out of the discussions

There was even a latecomer for Leyland Trucks in the form of Lancashire Enterprises, a job creation organisation funded by Lancashire County Council, a county in which Leyland has two facilities.

Although Mr Paul Channon, the Trade and Industry Secretary, told the House of Commons all would be treated equally, this seemed far from the case. On Thursday, March 13, the Government began a series of long negotiations with GM – one session lasting 20 hours – in the search for a compromise over Land Rover.

Those talks first came close to breaking down on budget day, Tuesday last week. GM said it was willing to consider taking only 49 per cent of Land Rover but insisted on an option to take full control later on because a great deal of capital would have to be injected into Land Rover, particularly for the Sherpa van operations. GM's refusal to budge on this point caused Mr Channon to storm out of the meeting.

The Government, however, asked for more talks the following day and at one stage introduced another suggestion – it might be possible to allow GM to have 100 per cent of Land Rover if GM would agree to a supervisory board being set up to make sure it stuck to assurances and undertakings it was willing to give.

On Thursday last week some Conservative ministers were claiming the 49-51 per cent deal was in the bag. So it came as an enormous shock to GM's negotiators when they were called back by Mr Channon at 5 o'clock last Friday to be told Land Rover was being removed from the deal and the negotiations collapsed.

Pickets stand firm by the Fortress

BY HELEN HAGUE

OUTSIDE "Fortress Wapping" on Saturday night, a clump of dismissed Sun newspaper compositors chanted a telling variant of the striking miners' "Here We Go" anthem. "Here We Stay, Here We Stay, Here We Stay", they bellowed, just before midnight.

In attempting to mount an effective mass picket of the fortified News International (NI) printing works in London's docklands 'standing firm' has to be a physical imperative, not just a piece of conference rostrum rhetoric.

Picketing of the so-called picket-proof plant has become especially heavy and hostile on Saturday evenings when attempts are made to disrupt the delivery of the Sunday Times and News of the World. This is in protest at the loss of some 5,000 print jobs without compensation when NI switched publication of its national titles from central London to the high-technology Wapping plant.

Last weekend, the trucks contracted to deliver the Murdoch titles were held back until 2.30 am on Sunday – a delay of up to five hours which the unions believe had a significant impact on distribution outside the London area.

Early last Sunday morning the convoy left at 1.30 am, after the police outflanked the pickets' strategy of attempting to seal off access roads from the plant.

Identifying a weak spot – less than 50 pickets at King Davids Lane, a northerly offshoot of The Highway, the main thoroughfare – police on horseback swiftly cleared the road before the lorry run.

Further to the east, the NGA union was "holding" the Glamis Road junction. Sogat branches were massed to the east, directly outside the plant and at Thomas More Street.

At Glamis Road, Mr Norman Robbins from the NGA's London Region, spelt out his vision of an acceptable end to the dispute: "We demand recognition inside that plant. We demand justice – and that means us in there."

After the lorries sped away police moved in and made several arrests. Police horsemen and foot police with riot shields, some with truncheons drawn, then went in to disperse the crowd. A police horse fell, adding to the confusion as some demonstrators attempted to sit down in the road in protest.

Police made a total of 53 arrests during the evening and said that charges would be brought against 45 people, mostly for public order offences. Among those arrested was Mr Tony Dubbins, the NGA's general secretary who was charged with obstructing the highway.

Sogat plans to hold press conferences after each demonstration at which people allegedly subjected to over-vigorous policing will make their complaints public. The first was yesterday – when a woman who claimed she had been hit by a truncheon spoke to TV cameramen. The union sees public sympathy as crucial to their case.

More talks between print union leaders and NI are scheduled, but until both sides can map out possible course for a settlement, dismissed print workers and their supporters will continue their around-the-clock vigil on the streets of Wapping.

Call for privatisation in the Third World

A RADICAL overhaul of Britain's overseas aid programmes aimed at encouraging privatisation in the developing world is urged in a report today, Michael Prowse writes.

The Adam Smith Institute, a research body known for its strong advocacy of free market economics, argues that advice and financial support for denationalisation would do more for Third World countries than unconditional grants.

It says the Overseas Development Administration should set up a unit with specific responsibility for promoting privatisation in the developing world.

Specialist teams, comprising government officials and executives seconded from the City of London and newly privatised UK companies, should be established to advise countries on the sale of state bodies.

□ OPINION polls in the Fulham (West London) by-election, to be held on April 10, indicate a clear lead for the Labour candidate, Mr Nick Raynsford.

A Gallup Poll, conducted last week and published in the Sunday Telegraph, puts Labour at 43.5 per cent, followed by the Tories at 35.5 per cent and the Social Democrat/Liberal Alliance at 20.5 per cent.

The figures reinforce a trend shown in a nationwide poll published in the Daily Express on Saturday giving Labour 39 per cent, the Tories 35 per cent and the Alliance 25 per cent.

□ AN AA survey has found a 27p a gallon gap between the cheapest and dearest petrol prices at the pumps following the 7.5p a gallon duty increase in the Budget. The cheapest four-star fuel was £1.58 in Cardiff and the most expensive was £1.85 at an M1 service station near Sheffield.

□ BRITISH TELECOM has signed a memorandum of understanding with Multitech International which could lead to the manufacture and sale of BT products in India.

CALL FOR LIFTING OF LEGAL RESTRICTIONS ON INDUSTRIAL ACTION

Labour presses for right to strike

BY DAVID THOMAS, LABOUR STAFF

THE LABOUR PARTY is calling for the removal of all legal restrictions on the right to strike in e paper to be considered at today's meeting of the Trades Union Congress (TUC) – Labour Party liaison committee.

The Labour Party has drawn up a discussion paper on the right to strike as part of the exercise now under way in the labour movement of considering legislation to replace the Conservative Party trade union laws.

The paper says: "We need to provide e right to take industrial action irrespective of its purpose, and to protect it against all forms of legal liability."

It argues not just that the restrictions passed by the Conservative Government on the ability of unions to strike should be swept away, but that the law as it existed under the last Labour Government was too restrictive.

It says: "The 1974–76 legislation contained serious shortcomings in the scope it afforded to lawful industrial action."

Several examples are given of industrial action which were not immune under the pre-1979 legislation, including strikes to further political objectives, strikes over issues of "management prerogative" and strikes not related to a trade dispute.

The paper suggests that a union's ability to strike and be immune from civil redress should be extended to cover all these examples.

It is unsure about whether the pre-strike ballot provisions of the 1984 Trade Union Act should be completely dropped, but it says that employers should not be able to bring actions for injunctions and damages under these provisions.

"This should be dealt with *separately* from the right to strike, so that only union members themselves can enforce the right to hold a ballot," the paper argues.

It also proposes that strikers should be eligible to receive full supplementary benefit and that dismissing workers for going on strike – an issue given prominence by the present London newspaper dispute – should be automatically unfair before an industrial tribunal.

The paper cuts through the debate that dominated the TUC consultative conference last week about whether labour law should be based on traditional immunities from civil action or on a new legal framework of positive rights.

It is suggested that there should be a new positive right to strike which would be immune from all civil liability.

The purpose of combining the positive rights and immunities approaches is to give maximum assurance that industrial disputes will not land up in the courts.

Rail buffs open fight to defend their shrine

By David Brindle

THE GRAMMAR school at Appleby, the isolated Cumbrian town in north-west England more usually noted for its annual gipsy horse fair, today hosts the first of a month-long series of public hearings on a plan that strikes dread in the hearts of locals, railway buffs and incurable romantics alike.

Such is resistance to the plan that it has taken British Rail more than two years to get it even as far as the hearings. At last count, there were more than 22,000 human objectors, plus a border collie cross called Ruswarp (pronounced Rus'up in these parts, it seems).

Ruswarp, like the other fare-paying passengers, doggedly opposes BR's intention to close the 72-mile rail link between Settle, West Yorkshire, and Carlisle, Cumbria. It is regarded as an act of desecration of the holiest of rail enthusiasts' shrines.

In the words of the late Mr Eric Treacey, the "railway bishop" of Wakefield, the spectacularly beautiful line ranks with York Minster and Hadrian's Wall as one of the three wonders of northern England. Even BR itself has billed it as "England's greatest historical scenic route."

Built by the former Midland Railway to match two rival main lines into Scotland, the Settle-Carlisle cuts straight through the bleak Pennine wilderness in an extraordinary triumph of Victorian engineering and sheer boneheaded determination involving 325 bridges, 14 tunnels and 17 major viaducts.

Ribblehead, the premier viaduct of 26 arches, near Settle, has become the line's Achilles heel. Although BR has recently reduced its estimate for essential repairs from £4.5m to £2.6m, it still says that the capital outlay cannot be justified and that at least £10m would be required to rehabilitate the route overall.

Today's hearing, held by the local transport users' consultative committee, can strictly speaking hear evidence only of hardship likely to be suffered in the event of closure – a constraint which has led to pressure for a full-scale public inquiry.

Objectors want a forum at which they can question the very basis of BR's closure case, arguing that the line has been systematically starved of investment and traffic, that revenue is now more than covering operating costs and growing faster than any other route in BR's provincial sector, and that the Settle-Carlisle is a vital diversionary route for the east and west-coast Scottish lines.

Ultimately, though, it may be political considerations which weigh heaviest; objectors point out that five Conservative MPs' constituencies lie along the course of the line, all potentially vulnerable to a backlash, if closure goes ahead.

Family chickenfeed processor tops Britain's growth register

BY WILLIAM DAWKINS

THE south Yorkshire-based Prosper de Mulder might be Britain's largest maker of ingredients for poultry meal, but chickenfeed is certainly not an apt word for its profits.

It is a family-owned processor of animal waste and listed as the fastest growing private company in Britain in a report published today "We didn't think of ourselves in that sort of arena," said a surprised Mr Gordon Braide, finance director of the 60-year-old Doncaster business.

Prosper de Mulder won its accolade by scoring a near sixteen-fold increase in taxable profits to £4.2m in its latest published accounts for the year to March 1984. It is the company's most successful year since its foundation in 1926 as a licensed horse slaughterer by a Belgian immigrant.

However, Mr Braide will not be celebrating. The animal by-products market goes up and down like a yo-yo, and a plunge in world tallow prices since 1984 means that Prosper de Mulder's current year profits will be back to 1983 levels, thereby turning it from the best to one of the worst performing private businesses in Britain. "That's the way this industry works. We've seen it all before," said Mr Braide.

The report, the Growth Companies Register 1986, lists financial and management details of Britain's 1,000 fastest expanding private businesses. Compiled from the latest filed accounts of 80,000 companies on the database of ICC Information Group, the register includes businesses making more than £50,000 which have kept profits growing throughout the past three years.

It estimates that less than 9,800 – or 2 per cent – of the 570,700 companies that pay corporation tax make more than £50,000 a year. And fewer still can sustain any growth they might have achieved. Just over a tenth of the businesses successful enough to appear in last year's edition of the register are on the 1986 list.

Britain's unquoted stars are more or less equally shared between distribution and manufacturing industries, accounting for 503 and 497 of the top performers respectively. The 43 construction and civil engineering businesses among the top 1,000 showed an average profits growth of 192 per cent. They make up the fastest growing sector, followed by 11 motor vehicle and transport businesses with an average 174 per cent growth rate.

Insurance brokers come out as the best payers. The 10 businesses with total salary bills of more than 650,000 include two insurance brokers, one of which pays its top people an average of £413,000 each, according to the accompanying table. But sky-high salaries are not necessarily the way to sky-high performance, as shown by Prosper de Mulder which pays its directors an average of £51,000 according to figures in the report.

Growth Companies Register 1986, Growth Data Services, 80 Chancery Lane, London WC2A 1DD. £95.

'Worse deal' for workers in privatisation

By Our Labour Staff

PRIVATISATION opens up "better pay, conditions and employment opportunities for the employees." So said Mr John Moore, Financial Secretary to the Treasury, in one of his many speeches on privatisation.

Not so, according to the Trades Union Congress (TUC). It has circulated a dossier, so far unpublicised, to its member unions setting out how workers and their unions have done badly out of privatisation.

It argues that a worse deal for the workers is part of the central purpose of privatisation: "Privatisation is *supposed* to undermine workers' conditions. That is one of the ways to make the companies more profitable for their new owners."

The TUC claims to have detected worse conditions in companies either privatised or about to be privatised. It says there has been significant job shedding in privatised companies or candidated for privatisation.

Worse pension schemes have been introduced at British Airways, in divisions sold by British Steel and in some former British Shipbuilders' yards. They are also threatened in National Bus and the Royal Ordnance (arms) factories, the TUC says.

Some former British Rail hotels have refused to honour redundancy and sick pay agreements, the TUC claims, while bidders for British Shipbuilders yards are not prepared to continue the industry's redundancy scheme.

On industrial relations and union facilities, the TUC says it has found less consultation at Amersham International, the nuclear fuels group. British Telecom has introduced a more hostile industrial relations climate, it says, with a review of many collective agreements, the withdrawal of some closed shops and less information.

Hoverspeed has refused all union recognition. Wytch Farm, the onshore oil operation, has withdrawn a union membership agreement, and British Airways has been trying to reduce time off for union work.

New support to end Europe's protected national markets

BY PAUL CHEESERIGHT IN BRUSSELS

THE European Court of Justice may achieve for the British insurance industry what a decade of official diplomacy has failed to obtain. That is, an opening of protected national markets in the European Community.

Such a prediction became possible after the court last week heard the opinion of Sir Gordon Slynn, the Advocate-General, that regulations in Denmark, France, Germany and Ireland breached the provisions of the Treaty of Rome, fount of Community law.

Sir Gordon held that the four countries, defendants in a case brought by the European Commission, had not been observing Articles 59 and 60 of the Treaty. These articles provide that restriction on the provision of services should be progressively abolished during a transitional period – long since passed – and then define what services mean. They include "activities of a commercial character."

When the court passes judgment on the commission actions later this year, it is not bound to follow the Advocate-General's opinion. But past practice shows that it rarely adopts a contrary line.

The cases relate specifically to a co-insurance directive adopted by the Community in 1978. This provided a means by which insurance companies could form e syndicate to insure major non-life risks. One company acts as the leading insurer, but does not necessarily have to take the larger part of the risk. That is spread around the companies involved, each of which is responsible exclusively for its own portion. There is no joint and several liability.

The question at issue is whether an insurer, especially the lead insurer, has to be established in the country where the risk is situated and authorised by the national government of that country to carry on business.

Details differ from country to country, but this demand for establishment and authorisation is common in all the defending countries. The Commission, supported in the court by the British and the Dutch governments, argued in effect that such a demand ran counter to the co-insurance directive and is inconsistent with Articles 59 and 60. Freedom to provide a service across a national border and the need to be established in the country where the risk is situated are contradictions in terms.

The fillip to the Commission and Anglo-Dutch case came with the unequivocal opinion of Sir Gordon that "the cases in which a complete ban on the provision of services from another member state is justified in my view must be rare."

As he put in the French case: "A ban by one member state on an undertaking established in another member state from providing insurance, as the leading insurer in a co-insurance operation in that member state, on the ground that it is not established there, is in my opinion plainly a prima facie restriction on the provision of services within the meaning of Articles 59 and 60, which are accepted by all parties to have direct effect."

The implications of this, on the assumption that the same line is followed by the full court, are profund. At the commercial level, it would place an obligation on, say, Germany, to accept, as legal, insurance policies on German risks written in London.

But it is unlikely that national protection of insurance markets would tumble overnight. Such a judgment, rather, would open up long-stalled political negotiations on how to create a Community insurance market either through harmonising national regulatory systems or creating a Community system which overrides national regulations.

It would create an impetus towards reaching one of the objectives in the Community programme to achieve an internal market without barriers by 1992. The court would be demanding, in effect, that the Community complete its legislation in the non-life insurance sector.

There is some legislation already – eight directives which cover motor insurance, tourist assistance, co-insurance of course and most importantly rights of establishment. The last provide supervisory rules designed to ensure the solvency of an insurance company in Community countries other than that of its base.

But what the Community has failed to do is to set out the rules by which an insurance company in one country can provide its services in another – in line with Articles 59 and 60. It is negotiation on this, started in 1975, which has stalled.

Partly to try and force movement, the commission started its cases against France and Denmark in 1983 and against Germany and Ireland in 1984. What happened was that the negotiation became even more moribund – no country wanted to move until the court had had its say.

But this is, as Sir Gordon noted, a "sensitive" area of the services sector. So sensitive thet of the 10 members of the Community (until January 1 1986) only Greece and Luxembourg have stayed away from the court. Belgium and Italy lent their support to the four defendants.

All the Community members though will have to go back to the drawing board to devise a liberal system of regulation for non-life business if the Slynn arguments are accepted by the full court.

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Philip White: "I enjoy my job but I can't imagine situations being much tougher" *Mike Arron*

Eye of a whirlwind

In the first of an occasional series, Nick Garnett talks to a senior executive of the UK engineering company, Mono Pumps

AT 7 am on most weekdays Philip White leaves his home in the Cheshire industrial town of Warrington and points his company car down the motorway towards Manchester.

Within 45 minutes the Ford Granada is parked alongside Mono Pumps' factory in the red brick east Manchester suburb of Audenshaw and its general works manager is already on the shopfloor.

The car drive and early morning walk among the men and machines that engineer the site's yearly production of 20,000 industrial pumps are reassuring routines in a business where nothing stands still for very long.

The demands on the modern industrial manager, the subject of scores of glib reports from the pens of management consultants, come alive every morning on the 11-acre site of Mono and at other honest engineering ventures like it.

As a busy manager at Britain's industrial coalface White has been at the eye of a whirlwind for more than half a decade. Like many of this unsung breed who typically earn a relatively modest £20,000 to £25,000 a year, change, recession and competition make the business of earning a living particularly stressful. White and his colleagues shoulder a breadth of responsibilities that would send many managers in less pressured industries rushing for tranquilisers.

At 43 White has worked in industry since leaving school in Widnes but has witnessed nothing like the past six years. Having been a £3 a week technical apprentice at an English Electric (GEC) locomotive plant, becoming an assistant works manager there at the age of 28, change usually arrived in a trickle. Since 1980 it has been a deluge.

With the assistance of colleagues he has taken responsibility for instituting three bouts of redundancies, cutting the workforce in half to 450 people. He is the company's principal wage negotiator and experienced the 1981 talks slipping into a difficult one-month strike. He has been the main motivator in a wholesale reorganisation of production, leaving only one of the site's 150 machines in the same place it occupied before reorganisation started. It is his job to put to the board the £1m annual investment and re-tooling programme.

Fronting the role of new broom sweeping away the plant's old culture has also fallen to him. Stripping away the *hierarchy of canteens*, moving towards single status for staff and blue collar workers, installing "clocking on" on a computerised data system for all employees, introducing shift changes in the stores, engineering and rubber shops and bringing in greater labour flexibility have all started as jottings on the desk pad in his rather bare functional office. Its walls are relieved only by aerial photos of the site. All that is in addition to White's basic managerial responsibility for getting deliveries out on time in an industry where the once cosy relationships between producers and their markets have crumbled.

"Stressful situations come thick and fast. I enjoy my job but I can't imagine situations being much tougher," he says. "A manager in manufacturing, especially on the production side, is going to be under pressure and that is unremitting because every week, every month there is going to be a need to address problems associated with getting production through and on time."

No one can do these jobs on their own and White has a managing director above him on site and six managers under him responsible for individual departments and working areas. But White works in a world where you have to be conversant with such machine tools as the latest Yamizaki turning centres while feeling the pulse of the plant and ensuring that the Coal Board, regional water authorities and all the other customers get what they want day in, day out. As a board director, White carries the can if anything goes seriously wrong within Mono's stern-looking perimeter walls.

A recent typical end of week day went thus: After the early morning shopfloor tour White was in his office by 8.45 am sifting the mail and downing the first cup of tea. The one pressing matter in the post was the response of an estate agent to Mono's request to buy a piece of land. White must prepare a report on the negotiations for the board meeting the following Monday. The other urgent issue was the preparation of a new set of production monitoring measures by the end of the shift.

By late morning White was chairing a production meeting with his own managers and the company's principal subcontractor, a letter from the managing director seeking assurances from White that he can meet output targets uppermost in his mind.

Next Mono's general works manager walked straight into a briefing with the head of industrial relations for the local association of the Engineering Employers' Federation. Six former employees are claiming unfair selection in the company's redundancy programme and the company's position has to be defended by White at an industrial tribunal.

After lunch White was locked in talks with the plant convenor and shop stewards chairman; apprentice training and overtime in the packing department was on the agenda.

Fridays are often rounded off with a meeting on the company's capital programme; the burning issue of the moment centred on a £200,000 automated steel bar store and sawing facility and the need to change the supply of bar. But there was no time for that.

The past few years have materially affected some of White's views. The shopfloor has shown more flexibility than he once thought possible. Much less convinced now about the Conservative Party for whom he voted at the last General Election, he will probably vote SDP in the next.

"I am pessimistic about manufacturing in Britain. All I see is decline. I cannot for the life of me see how we are going to support our standard of living."

Perks for White are largely confined to the car (top of the range Ghia but with the smallest 2 litre Granada engine) and BUPA membership. No expense account here, no bulging cocktail cabinet, just 33 days holiday including statutory breaks, a maximum of 45 minutes for lunch and subsidised food in the canteen. "Salaries are not as good as higher prestige careers or the services. It's disappointing when manufacturing is not seen as important to us as a nation.

"Where the Tories have done a good job is in bringing home the realities of the competitive world. But the *decline* of manufacturing on such a large scale is very worrying to me and that's been a hell of a price to pay. What I'm not sure of was whether that was necessary to get realism. I think some of their policies have put many good companies to the wall and I can't detect anything they are doing to help a company like this increase its business."

Nor is White sure whether the quality of the British manager is improving. "Do you *know I just don't know*. We are lucky we have a good team here. I have a feeling that other manufacturers are not addressing the problem with the same sort of enthusiasm. I am trying to give deliveries now to the customer which are better than the deliveries I'm getting from suppliers. That can't be right."

White pays tribute to the workforce and the AUEW whose convenor he tries to see at least once a week. He is all too aware though of the late starting and long *boozy lunches still* endemic in some sectors of business, though not so much in manufacturing. "I think 'disgust' is too strong a word for my feelings about that but I just don't see how you can operate in that manner. *If* you come in *late* in the morning at nine or ten o'clock how can you expect to maintain discipline and enthusiasm of subordinates and those on the shop floor?"

There is no let-up on the cards for White and his fellow managers. Manufacturing of pumps has become increasingly competitive as the old system in which individual companies treated their markets as virtual fiefdoms disintegrates. For the so-called positive displacement progressive cavity pumps made at Audenshaw competitors like Netzsch, PCM and Seepex claw for business. The big pump maker Worthington Simpson has just entered the same market which is already under attack from different technology like air operated diaphragm pumps. At least Audenshaw is comforted by being part of the Mono group, a Gallaher subsidiary.

Will White's son, now doing his A-levels, provide some family continuity in manufacturing? It does not seem likely. "I'm encouraging him to be an accountant," says White.

Annual hours

A yearly rate for the job

David Thomas explains a new approach to working time

ALMOST unnoticed, some companies are abolishing overtime. They are *doing* so as part of a radical overhaul of their working time, known as "annual hours."

The annual hours approach means that working time is fixed by the year (for instance, 2,250 hours) rather than by the week (for instance, 39 hours). Typically, the annual hours an employee is contracted to work are split into two parts: the larger chunk which is worked in set shifts; and a smaller part which is worked at management's discretion, subject to certain limitations, to cover tasks normally done by overtime.

In effect, the functions covered by overtime are built into a standard working contract. This often involves higher basic pay.

In having to think through this complete reformulation of their employees' attendance at work, managers have been able to tackle a range of issues that have been bothering them. Some of these emerged at a seminar on annual hours recently organised by the Industrial Society and attended by managers from more than 30 companies.

In a joint presentation, Gerry Woodcock, personnel manager, and Bill Patterson, shop stewards' chairman, explained the pressures which led to the introduction of annual hours by Thames Board, a Unilever subsidiary, into its Workington *plant*.

"The unions started pushing for reduced working time and we were aware that our competitors in Scandinavia were cutting their working hours," Woodcock explained.

This was particularly problematic in an industry like paper and board which needs a fixed shift system to ensure the continuous working essential to it.

Bill Patterson took up the story: "Our members were starting to press for a big increase in basic pay. Because people couldn't live on basic pay, they were depending on overtime."

Woodcock for Thames Board added that because of this the company was vulnerable to any ban on overtime, which was running at more than 20 per cent of basic hours.

The company reckoned that tinkering at the edges would not deal with such problems. It decided on a complete rethink of its working time, *aimed at achieving several* objectives, including a minimum dependence on overtime, the resolution of grading and differential problems and a reduction in the number of days on which the plant was completely stopped because of holidays.

Management and union representatives toured some of the company's competitors in Europe to see what happened there. The Scandinavian paper industry has pioneered annual hours and Patterson *recalls* that one of the conversations which swung the two sides around to this approach took place in a sauna in a Finnish forest: "There is no greater leveller between management and union than seeing each other with no clothes on," he says.

Flexible

The Thames Board annual hours system involves calculating the number of hours each employee would work in a year, assuming a 39-hour week. After deducting the number of hours an employee works on regular shifts, a reservoir of flexible hours is left over, on which management can draw in order to do things—like covering for absent workers—which would previously have been done on overtime.

At the end of the long and difficult negotiations to introduce this system, both sides had won a number of benefits.

The company had considerably reduced its overtime. It had achieved a more intensive utilisation of its plant. And it had done it at no extra cost.

The union had won a cut in the standard working week (down from 41 hours to 39 hours), a payment to cover the reduction in overtime; and a long break (10 days off in every five weeks) built into the new shift system.

Each company which has tried annual hours has given it a slightly different emphasis. Blue Circle Industries, the cement manufacturer, which has recently introduced the idea into two of its works, has used the change to do away with traditional job descriptions for its manual workers, to increase labour flexibility and to move towards salaried status for its manual workers.

Blue Circle was able to tell *the* Industrial Society conference that it had abolished the traditional notion of overtime by dividing its workers' 2,251 annual hours into 2,028 rostered hours and 223 flexible hours worked at management's discretion within certain limitations. Blue Circle *is already* finding that its employees are completing some tasks up to 50 per cent faster now that their payment does not depend on their length of attendance at work.

The *idea* of *annual hours* was introduced into Britain by the paper and board industry on the basis of Scandinavian experience. An agreement was signed between the Paper and Board Industry Federation (PBIF) and the unions in the industry in 1982 *which* provided a framework for mills wanting to introduce annual hours.

The PBIF reckons that about 16 mills now operate the system, though the number is increasing consistently. The Industrial Society, which is monitoring the spread of the idea, knows of about 25 companies which are trying annual hours, including some in the paper, concrete, glass, can, chemicals, oil, textiles and pet food industries.

Interest so far has *been* greatest in continuous process industries, though the Industrial Society believes that companies in engineering and in distribution are beginning to wake up to the idea. Most companies too have introduced annual hours only for their *manual* workers, leaving the hours worked by their white collar staff unaffected.

But Philip Lynch, a consultant who has specialised in advising companies on the introduction of annual hours, told the Industrial Society conference that all companies are being affected by the pressures which have led some down this path—pressures like cuts in working time, *moves* towards *staff status* among *manual* workers, the need to cut overtime and trends towards greater labour flexibility.

Lynch said: "Annual hours has been associated with continuous process, shift working industries, where rosters have to be fixed a year in advance. In my view, the concept has more potential in industries where greater variation in rosters is possible."

THE WEEK IN THE COURTS

Hailsham may fall foul of growing requirement for consultation

THE Lord Chancellor is on the brink of being the letest ministerial casualty of a development by tha courts in recent years of an aspect of public law.

The Divisional Court is to resume today the bearing of tha Bar's ease against Lord Hailsham in which tha *barristers'* professional organisation is claiming that it had a "legitimete *expectation*" to be consulted and to negotieta over the level of fees to be fixed for criminal legal aid.

The Lord Chief Justice has *already given the sharpest indication* that Lord Hailsham is in danger of being told that he and his department failed to comply with the law's requirements of consultation.

The duty of a minister to consult may be required by the terms of a particular statute. For example, since the Local Government, Planning and Land Act 1980, the Environment Secretary has been under a specific duty to consult with local authorities over the operation of the rete support grant from *central government*. The minister bas to take positive steps tn inform the local euthorities of bow be is proposing to exercise his powers and to listen to any representations.

The requirement of consultation is never to be treated perfunctorily or as a mere formality. The *local authority* must know what it is that the minister proposes. It must be given a reasonably ample and sufficieot opportunity to express its views or to point to problems or difficulties. It must be *free* tn say what it thinks, and the minister must take those views into account when be exercises his statutory powers.

There is an underlying principle that the Crown, through its ministers, cannot be preveoted in law from exercising its powers, when it is doing so in the proper exercise of its duty to act for the public good. That is so even if this may work some injustice or unfairness to the private individual.

Parliament has in effect left it to the minister to determine where the balance of interest *lies between the public good* and the individual citizen. The court, however, *will* intervene when the minister *is* not properly performing the procedure that leads up to decisinnmaking. If the minister does not comply with what the US courts have called "due process," the courts will protect the individual affected by the decision.

If the minister has not consulted the relevant persons or bodies, and tha failure causes unfairness to the individual without any countervailing benefit to the public, the courts will tell the minister he must start the process nver.

> If a minister does not comply with 'due process' the courts will tell him to start again

When parliament provides for a consultative process in a particular statute it expresses the requirement in mandatory or directory terms.

Where the statute states that consultation *shall* take place, the courts have said that that is mandatory, and a failure to comply is fatal to the ensuing decision of the minister. His order is quashed and be must start again and go through the proper procedural hoops.

The legislation often states specifically who must be consulted before any decisions nr rules are made. On soma occasions the statute may be more or less explicit as tn which interests should be consulted. The minister may be told that it is a matter for him to decide who should be consulted. He must select those consulted on a basis of reasonableness.

What is absent from English lew is any general duty to consult. Nor is there any general statutory duty. Where parliameot is silent about consultation, the eourts will examine the nature nf the ministerial power and decida whether there is implied any duty to consult, and in what circumstances.

The whole issue of the extent of judicial control over administrative action *is in a state of* flux and almost daily development through individual cases *brought to the courts* by aggrieved parties, mostly nowadaya the local authorities.

Section 39(1) of the Legal Aid Act 1974, as amended, requires the Lord Chancellor to fix legal aid fees for barristers and solicitors on the principle of allowing fair remuneration according to the work actually and reasonably done. Parliament did not say that he had to consult with the legal profession in exercising his powers of fixing their remuneration.

Lord Hailsham did, however, indicate that he would not merely antertain representations from the Bar; he said he would both consult them and even negotiate with them. He knew that the Bar had commissioned a study from Coopers & Lybrand, a reputable firm of accountants, which last November reported favourably to the Bar's contention that legal aid fees were wholly inadequate.

The Lord Chancellor's condnct of the consultative process was such as to lead the Bar legitimately to expect that negotiations on the Coopers & Lybrand report would form part of his consideration and be concluded in time for the fixing of the fees by April 1986. *Was* that expectation unfulfilled?

Until recently the courts had not fully developed the doctrine of legitimate expectation. It got its full flowering in the famous case involving the Government Communications Headquarters, Cheltenham, in which hut for the claims of national security, the House of Lords would have held that the Minister for the Civil Service was bound to enter into prior consultation, before banning trada union membership at GCHQ.

In that case the *Council of* Civil Service Unions was able to show that since the end of tha Second World War avery detail of the eonditions of service of those working at GCHQ had been fully discussed within the Whitley Council machinery at both national and local level.

Therefore, there was every reason for the unions to expect that a proposal to ban trade union membership would be discussed before the power to ban was legally effeeted.

The supreme advantage of the concept of prior eonsultation is to recognise that those outside government should be allowed to play some role in shaping government policy in a wide range of administrative action. The Lord Chancellor rendered himself exposed to just such a process, and any failure to comply with the process of negotiation nver legal aid *fees* invited intervention from the courts.

Whether the Divisional Court this week finds that Lord Hailabam has fallen foul of this fast-developing area of publie law remains to be seen. At all events the forensic exercise, however unpleasant nr unseemly it must appear, will be a salutary lesson to those who administer the organs of government.

Justinian

THIS NOTICE DOES NOT CONSTITUTE AN OFFER FOR SALE AND THE LOANS LISTED BELOW ARE NOT AVAILABLE FOR PURCHASE DIRECT FROM THE BANK OF ENGLAND. OFFICIAL DEALINGS IN THE LOANS ON THE STOCK EXCHANGE ARE EXPECTED TO COMMENCE ON MONDAY, 24th MARCH, 1986.

ISSUES OF GOVERNMENT LOANS

The Bank of England announces that Her Majesty's Treasury has created on 21st March 1986, and bas issued to the Bank, additional amounts as indicated of each of the Loans listed below:

£150 million 9 per cent TREASURY LOAN, 1994

£150 million 8¾ per cent TREASURY LOAN, 1997

£100 million 8 per cent TREASURY LOAN, 2002-2006

Tha price paid by the Bank on issue was in each case the middle market closing price of the relevant Loan on 21st March 1986 as certified by the Government Broker.

In each case, the emount issued on 21st March 1986 represents a further tranebe of the relevant Loan, ranking in ell respects *pari passu* with that Loan and subject to the terms and conditions applicable to that Loan, and subject also to the provision contained in the final paragrapb of this notice; the current provisions for Capital Gains Tax are described below. Copies of the prospectuses for 9 per ceot Treasury Loen, 1994 deted 14th January 1971, 8¾ per cent Treasury Loan, 1997 dated 7th July 1971 and 8 per cent Treasury Loan, 2002-2006 dated 15th October 1971 may be obtained at the Bank of England, New Issues, Watling Street, London EC4M 9AA.

Application has been made to the Council of The Stock Exchange for each further tranche of Loan to be admitted to the Official List.

The Loans are repayable at par, and interest is payabla half-yearly, on the dates shown below:

Loan	*Redemption date*	*Interest payment dates*
9 per cent Treasury Loan, 1994	17th November 1994	17th May 17th November
8¾ per cent Treasury Loan, 1997	1st September 1997	1st March 1st September
8 per cent Treasury Loan, 2002-2006	5th October 2006, or on or at any time after 5th October 2002 subject to not less than three months' notice	5th April 5th October

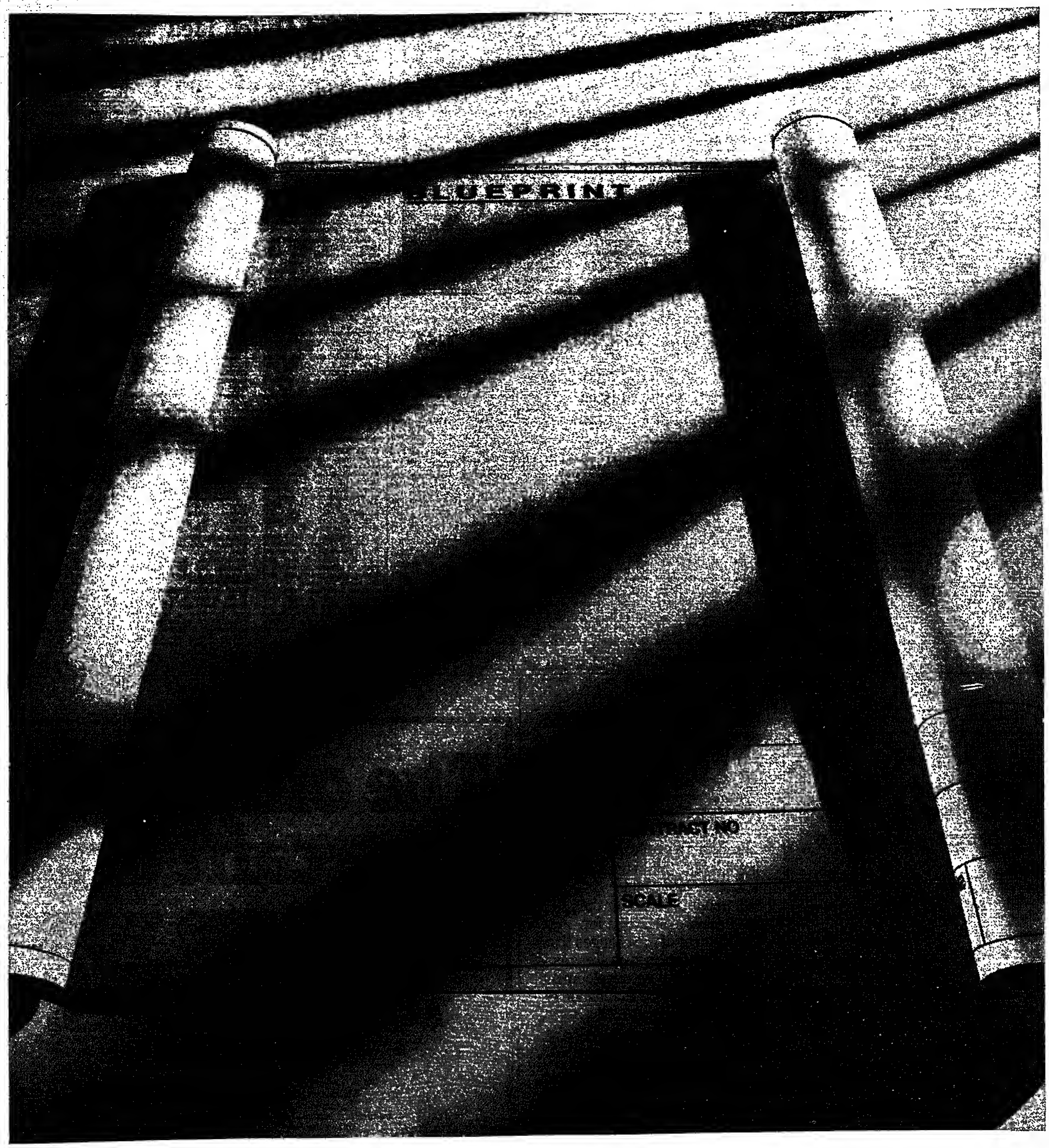
Tha further tranches of 9 per cent Treasury Loan, 1994 and 8¾ per cent Treasury Loan, 1997 will rank for a full six months' interest on 17th May 1986 and 1st September 1986 respectively. The further tranche of 8 per cent Treasury Loan, 2002-2006 has been issued on an ex-dividend basis and will not rank for the interest payment due on 5th April 1986 on tha existing Loan.

Each of the Loans referred to in this notice is specified under paragraph 1 of Schedula 2 to tha Capital Gains Tax Act 1979 as a gilt-edged security (nnder current legislation exempt from tax on capital gains on disposals made on or after 2nd July 1986, irrespective of tha period for which the Loan is beld).

Government statement
Attention is drawn to the statement issued by Her Majesty's Treasury on 29th May 1985 which explained that, in the interest of tha orderly conduct of fiscal policy, neither Her Majesty's Government nor the Bank of England or their respective servants or agents undertake to disclose tax changes decided on but not yet announced, even where they may specifically affect the terms on which, or the conditions under which, these further tranches of the Loans are issued or sold by or on bebalf of the Government or the Bank; thet nn responsibility can therefore ba accepted for any omission to make such disclosure; and that such omission shall neither render any transaction liable to be set aside nor give rise to any claim for compensation.

BANK OF ENGLAND
LONDON

21st March 1986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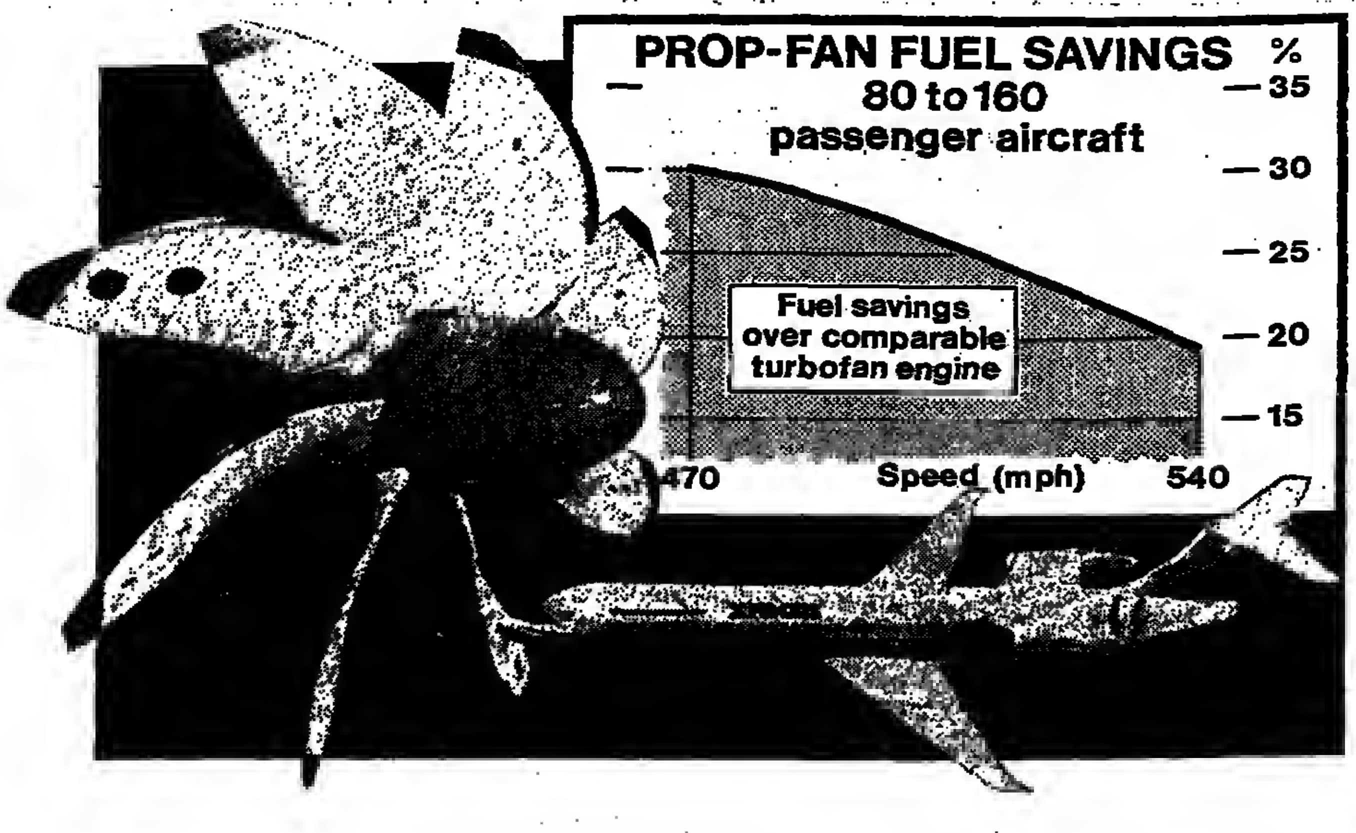


Elegance is key to cut and thrust

Nicholas Colchester reports on the engine which is set to revolutionise air travel

THANKS to Opee, the strange and rather beautiful propeller shown here is set to become the hall mark of the commercial aircraft of the next decade.

Tha rise in the price of oil prompted Nasa in 1975 tn ask Hamilton Stendard, the US propeller manufaeturer, to develop such a design with the aim of combining the efficiency of the turbo-prop with the speed of the jet engine. Today the oil price is falling, but the concept of this "propfan" has caught on end has a momentum of collahorative projects behind it that will take some stopping.

The laws of physics dictate that a propeller engine, which throws a large mass of air backwards relatively slowly, uses less power for a given amount of thrust than a jet engine throwing a small quantity backwards at high speed.

Over the last 20 years the evolution of the jet engine bas been dominated by the need to give it this virtue of efficiency. The engines bave become wider and wider, and more and more reminiscent of a propeller operating in a duct. Today's fanjet blows six times as mucb air slowly through its tub-like outer duct as it draws througb the engine itself.

At a by-pass ratio of mueb more than eigbt-to-one e duct adds a counterproductive amount of weight and drag to the engioe. But the leap to the "unducted fan," or propfan, with its bypass ratio of between 35 and 50, raises te key problem that bas long confined the propeller to slower types of aircraft. A propeller's effieiency *falls abruptly* when the tips of its blades move at more than tbe speed of sound, or 680 mpb, end this is inevitable in an aircraft moving forwards at 600 mph.

Tha solution—the secret of the propfan—lies in the elegant shepe of its blades. Because they are swept, their leading edges slice into the air and thus edvance through it at less than their true speed of movement.

The sweep becomes more pronounced as the radius, and hence the speed, increases and this yields the shape of a scimitar. Provided the blades are swept in this way, and are very thin, they can generata thrust efficiently with the tips moving at Maeb 1.2, or 820 mph. *This is* consistent with an aircraft speed of 550 mph or more.

The idea of sweep in propellor blades is not new bnt it has taken computer analysis and advances in material science to make it workable. The curve of the blades leads to complex twisting stresses within them, not encountered in a traditional propellor (imagine clamping the bandle of an ica hockey stick borizontally in a vice and then standing on the end of tha blade). The acimitars have to be designed not to flutter. They heve to be formidebly stiff.

The absence of a duct has two other important consequences. It means there is no shroud filled with noise absorbent material to reduce the considerabla sound of tha fan. It means there is no protective ring to shield the fuselage of the aircraft from tha spinning blades should they disintegrate.

The manufacturers are all confident that they can build bledes of adequate strength. General Electric will use composite materials—chiefly earbon fibre. Rolls-Royce is working on hollow titanium bledes with a bundle of super-strong fibres within. Hamilton Standard prefers a tried-and-tested aluminum spar within a fibreglass shell and maintains that 100m hours of propellor operation without a structural failure justifies this approach.

Noise could well be the achilles heel of the propfan concept—noise for the passengers in the aircraft rather than for the people on the ground.

First there is the unshrouded noise of blades ripping through the air at supersonic speeds. Second, there is the siren-like *effect of contra-rotating* blades. Contra-rotation is required to get the maximum efficiency out of a propfan because the second row of blades redirects backwards the swirl left by the first. Tbis interactive sound is of much lower frequency than in a fanjet because a propfan turns at *only one quarter* the speed and bas far fewer bledes. Low freqaency sound carries furthest.

Noise is the main reason why current propfan thinking places the engines right at the tail of the aircraft with the blades mounted on the back of the engine. This arrangement reduces the exposure of the fuselage to blade noise and cuts down tha amount of sound deade*ning material* the aircraft manufacturers will have to build into the aircraft.

General Electric is confident that the noise problem is not *going to be as important as* it initially expected. But Pratt & Whitney's propfan programme director, Mr Tadry Domagala, feels that noise performance is one of tha key unknowns to be resolved in the next 18 months of propfan development and flight testing.

The first production propfan engines will typically have two rows of bledes some 12 feet in diameter with six, seven or eight blades in each row. These will turn at around 1200 rpm, in opposite directions and require a total of some 15,000 shaft horsepower per engine.

Such an engine will be the equivalent of a fanjet engine of about five feet in diameter producing 23,000 pounds of static thrust. It will consume about 25 per cent less fuel than the fanjet at 550 mph.

A "battle of the drive systems" will be fought out between now and 1992 wben, aecording to the US aircraft industry, the first eommercial propfan airliners will fly.

A eonsortium eonsisting of the Allison Division of GM, Hamilton Standerd and Pratt & Whitney believes that the propfan should be driven througb a gearbox. Rolls-Royce, whieb is more doubtful and cautions about the future of the propfan, agrees.

General Electric of the US, on the other band, bas won Nasa backing to develop the rather elegant solution of eounter-rotating fans driven directly by counter-rotating power turbines at the back of the engine. To *make this* arrangement efficient it has designed a slightly smaller propfan that will rotate a little faster than the geared version.

The proponents of gearboxes claim they will give them greater flexibility to choose the optimal, least noisy fan speed in the light of experience, withont having to redesign their engines. But they admit that 15,000 borsepower constitutes a daunting gearbox problem. Even split between two 7,500 horsepower rotors it dwarfs the 3,500 horsepower of a big turbo-prop engine.

Sound Dutch idea which can triple the speed of typing

TYPING COULD be three times as fast using a new *design of keyboard incorporating* computer intelligence and keys whieb are related more to sounds than single characters.

Designed in Holland by Special Systems Industry, of The Hague, the Velotype keyboard allows both hands to stay in the same position (finger movement nnly). It is based on the fact that a syllable or word consists of one or more *vowels and one* or more consonants.

There are 37 keys split intn three groups: initial eonsonants, vowels and final consonants. A word or syllable is typed by pressing a combination of keys from any *of the* three groups, rather like a chord played on a piano.

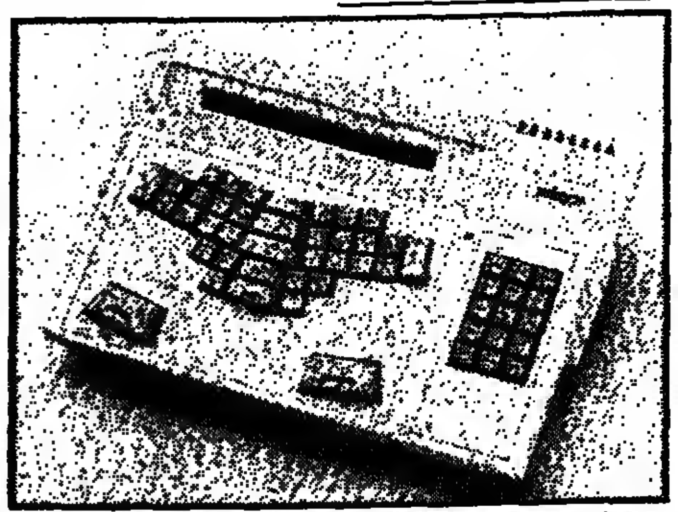
Velotype places the charaeters in the correct order *using its micro and some* software which distinguishes the front and rear of a word or syllable. The *typist* immediately sees the actnal text on a single-line 40-character display.

Available for 15 Western languages, Velotype can be plugged in to any word processor, personal computer or typesetting machine. It costs £1,250. More from Veloquick UK in *London* on 01-575 7070.

INTEGRATED OFFICE communciations embracing voiee, video, and data is *offered* in a system called Minx from Datapoint, the Texas-based automation eompany. As soon *as some additional* work is completed to achieve compatibility with UK TV standards, Minx will be made available in tho UK.

The workstation has e high resolution colour screen, a small viewfinder screen (so that the terminal user can *position himself correctly*), e loudspeaking telephone and the usual keyboard.

These stations can be connected over a local area network using a single ex-axial cable to carry all the services. A wideband (high information rate) system is *also available that will* support over 200 users. In the US, prices start at $13,500. More from the Datapoint's London office on 01-459 1222.



The butterfly-shaped Velotype keyboard capabla of typing at the speed of speech

WORTH WATCHING

EDITED BY GEOFF CHARLISH

A VIBRATION - monitaring accelerometer based nn fibre *optic techniques has been* developed by tha Swedish company, ASEA Research and Innovation.

A reflective sensing probe is connected by a single fibre nptical cable to a unit containing a laser and measurement electronics.

Laser light ente*ring* the probe from the fibre strikes thn sensor, which is a short length of metal elamped et one end. Vibration nr any other motion causes tbe probe to vibrate nr move, altering the reflectiva conditions which, in turn, changes the qnality of the reflected light in sympathy. The changes are detected and produce electrical signals that are a measure of acceleralion. ASEA is in *Vasteras on 021-100000* er London on 01-930 5411.

CHIP MAKING equipment is to be prodneed by Eastman Kodak company, which has just launched a subsidiary called Estek for the purpose.

Although it is not widely *known, Kodak has designed* and prodneed custom integrated circuits for its own camera and copier prodncts *for some years.*

Estek plans to develop silicon wafer processing "in*corporating significant* technical advances."

IBM PERSONAL computers in use by smaller companies *for* personnel and payroll applications can be made in collect clocking-in data as well, using the Datamond 9007 *unit* from Hengstler Flextime, the German-based company.

The package allows PC nsers to process statistics eollected by up to 32 Hengstler time recording terminals, for payroll and *other* purposes. The Datamond is connected between the terminals and the PC. Hengstler is in Aldingen, West Germany nn 74 248 9439 and in the UK on 0992 443464.

MOLTEN METAL filtration materials developed in the USSR are available from UMO Plant in the UK (04626 71411).

The filters are made by the *Firam process, which* yields silica-based fibrous meterial as woven cloth. After a special coating process, this can withstand temperatures of 1450 to 1700 deg C.

Improved filtration compared with conventional core and ceramic filters is claimed, *giving* half as *many rejects* from non-metallic inclusions in casting operations. Rejects caused by slag are virtually eliminated.

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FT/WC. 10/3

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MSC

APPOINTMENTS

Senior posts at Habitat and Heals

From April 1 Mr Geoffrey Davy, managing director of Heals, becomes managing director of HABITAT (UK). Mr Colin Pilgrim, buying director, is promoted to managing director of Heals. Mr Gordon Munro, retail operations director of Heals, is made logistics director of Habitat (UK) with responsibility for the co-ordination of stock control, warehousing and distribution and EDP. Mr Martyn Smith, general manager, becomes retail operations director of Heals. He is succeeded by Mr Cliff Burrows, assistant general manager.

★

Mr R. J. Elliott has been appointed managing director of WILLIS FABER & DUMAS. He is chairman of the group's aviation division and also of Willis Faber & Dumas (Agencies).

★

At MANN EGERTON Mr Jim Campbell will retire as chief executive on May 1. He will continue as non-executive chairman. Mr Richard Martin has been appointed chief executive from that date. Mr Martin joins from the Lex Group where he was managing director of Lex Mead.

★

R. WATSON & SONS has created a new position of marketing manager, to which it has appointed Mr Russell Smith. The firm says this is probably the first professional marketing appointment in a partnership of consulting actuaries in the UK.

★

BERKELEY SPEYHAWK, a joint company formed by Speyhawk and the Berkeley Group, has appointed Mr David Herring and Mr Peter Francis as directors.

★

JOHN TOWNSEND & CO, insurance brokers at Lloyd's, has appointed Mr Robert W. Bailey as a director. He is the president and chief executive officer of the company's New York based re-insurance broking subsidiary, Bailey Townsend Inc.

★

At HARLOW & JONES, Mr Hugo Kirby, chief financial officer, and Mr Godfrey Smith, chief accountant, have been appointed executive directors from April 1.

★

Mr Stephen Peerless has been appointed managing director of INBUCON COMPUTER PERSONNEL SELECTION and INBUCON CONTRACT SERVICES.

★

Mr David W. Pead has been appointed financial director of CONSOLIDATED TERN INVESTMENTS. He was a director in the Rush and Tompkins Group.

★

Mr John Pope, group marine manager and UK divisional director at COMMERCIAL UNION ASSURANCE, will retire on April 30. Mr Ron George has been appointed group marine manager from May 1, and Mr Peter Evans who will continue as underwriter of The Indemnity Marine Assurance Co. has been appointed deputy group marine manager from the same date.

★

HARLAND AND WOLFF, Belfast, has appointed Mr Stanley McCormack as offshore marketing manager (engineering division).

★

Mr Ian Colgan, company secretary, and Mr John Walker, company solicitor, are appointed directors of REFUGE ASSURANCE from April 24. This follows the retirement from the board from that date of Mr Dennis Berry and Mr Roy Stevenson.

★

INCOMTEL has appointed Mr C. S. Metcalfe as marketing director. He joins from TCI, where he was managing director.

★

Mr W. G. Coventry, company secretary and financial controller, becomes general manager from March 31 of MARINEX PETROLEUM. Mr J. A. G. Neale, assistant financial controller, will assume some of Mr Coventry's duties.

★

Mr Derek Hardisty is to become managing director of SECURICOR ROBOPHONE. He continues as managing director of Securicor Granley Systems. Mr Terry Spencer and Mr Gerry Stapley have been appointed directors of Securicor Granley.

★

Mr Anthony de Steiger has been appointed a director of GREENWELL MONTAGU GILT-EDGED, a subsidiary of Samuel Montagu.

★

Mr Ian Cartwright has been appointed managing director, UCCEL SOFTWARE PRODUCTS. He was general manager.

★

JOHN MOWLEM AND CO has appointed Mr David Porter to the board from April 8. He is managing director of the McTay division of the Mowlem Group.

★

BARNATO BROTHERS has appointed Mr Doug Beynon to succeed Mr Don Westlake who is retiring on March 31.

★

KEELER HOLDINGS has appointed Mr C. Richard Keeler as chairman. This appointment follows the retirement as chairman of Mr Charles H. Keeler, who retains his role as non-executive director.

★

ROBERT FLEMING & CO has appointed Mr Ian Ellison as a director. He joins Flemings from the Department of Trade and Industry, where he was responsible for the Telecommunications Bill, general policy on the privatisation of British Telecom and the licensing of Mercury Communications and Racal Vodafone. At Flemings, Mr Ellison will concentrate initially on the next phases of the financing of the Channel Tunnel project.

★

ABBEY LIFE ASSURANCE has appointed Mr Chris Evans as assistant executive director—product development department.

★

RANK XEROX (UK) has appointed Mr David O'Brien as managing director. Also appointed to the board are Mr Vernon Zelmer, director of operations, and Mr Richard Fox, director of marketing. Mr O'Brien was previously sales and marketing director at Burroughs Machines. Mr Zelmer was previously a vice-president of the major account marketing division, Xerox of Canada Inc. Mr Fox was director of planning and pricing at Rank Xerox International headquarters, in London.

★

Mr R. F. Dowlen, group aviation underwriter of the Commercial Union Assurance Group, has been re-elected chairman of the AVIATION INSURANCE OFFICES' ASSOCIATION at its annual meeting. Mr S. H. Peel, aviation underwriter of the Orion Insurance Co, has been re-elected deputy chairman and Mr J. T. R. Solder, aviation underwriter, Andrew Weir Insurance, has been elected honorary secretary and treasurer.

★

Mr W. T. Stead has been appointed managing director of GM HEALTH CARE. He was managing director of Compass Vending.

★

UKF FERTILISERS has appointed Mr John Coleman commercial director from May 1. He has been finance director since 1979. He is also managing director of the wholly-owned subsidiary Westward & Yorkshire Fertilisers, a position he will continue to hold.

★

The EUROPEAN SINGLE SERVICE ASSOCIATION (ESSA) has appointed Mr Malcolm J. Macpherson as president for 1986. He is managing director of Cross Paperware.

★

WHARFDALE has appointed Mr Nick Green as director of marketing. He currently heads the Wharfdale operation in Italy. Also joining the board is Mr Steve Oxley as financial director. He was financial controller.

★

Mr Leslie Williams has joined SIMON ENGINEERING as finance director—oil services group. He was finance director of Ultrolab.

★

ECONOMIC INSURANCE COMPANY, a member of the Hafnia Group of Copenhagen, has appointed Mr Derek Hammond Giles as managing director. He was previously a senior executive in the Sun Alliance Insurance Group.

★

Mr Geoffrey J. Ball has been appointed to the main board of ROOF UNITS GROUP, Dudley. He continues as head of Specialised Air Movement Equipment, the group's associate company.

★

Mr Robert S. Walker, financial director of DSC (an operating division of United Biscuits (UK), has been appointed finance officer at the UNIVERSITY OF DUNDEE in succession to Mr Alexander McCallum who will retire on September 30 1986 after 14 years' service. Mr Walker will join the university staff as finance officer designate on May 1 1986.

★

Mr Nigel J. Barton has joined BANKERS TRUST COMPANY, world shipping division, London, as a vice president. He was a senior manager at DnC London where he specialised in shipping and project finance.

★

Mr John Carlisle has been appointed managing director of H. J. MAYBREY & CO, a subsidiary of Newman Industries. He replaces Mr Peter Steadman who has retired.

★

Mr Norman Parker has joined the board of FALCON INDUSTRIES as a non-executive director. He is managing director of the Henderson Group.

★

Sir James Cleminson, president of the Confederation of British Industry and chairman of Reckitt and Colman has agreed to become chairman of JEYES HYGIENE, High Wycombe, which has concluded a management buy out from its former parent Cadbury-Schweppes. Sir James was previously connected with the business when Reckitt's owned it prior to its acquisition by Jeyes four years ago. Mr Peter Turnbull becomes non-executive director. He is a main board member of Lex Group, where he has executive responsibility for Volvo Concessionaires. The other members of the new board are: Mr Bryan Long, managing director; Mr David Sutherland, finance director; Mr Michael Rigby, sales and marketing director; and Mr Tony Pearson, buying and distribution director.

★

TYNE TEES TELEVISION has appointed Mrs Diana Eccles to the board.

★

BANCA NAZIONALE DEL LAVORO has appointed Mr Pietro Biginelli as chief manager London branch in succession to Mr Ademaro Lanzara who has been promoted to deputy general manager international in head office, Rome. Mr Biginelli was formerly senior vice-president in the regional office in New York.

★

HICKING PENTECOST has appointed Mr Brian Hamilton as a non-executive director. He has been a director at Carrington Viyella, Whitecroft Industrial Holdings and Sketchley.

BUSINESSMAN'S DIARY

UK TRADE FAIRS AND EXHIBITIONS

March 24-27
Information Technology and Office Automation Exhibition and Conference—INFO (01-647 1001) Olympia

March 25-27
Fashion Fabrics Exhibition—FASHION FABREX (01-385 1200) Olympia

April 2-4
London Book Fair (01-940 6065) Barbican Centre

April 3-9
British International Antiques Fair (021-780 4171) NEC, Birmingham

April 8-10
National Pub, Club and Leisure Show (01-222 9341) Olympia

April 8-10
International Helicopter Technology and Operations Conference and Exhibition (01-549 5831) Aberdeen

April 14-18
International Fire and Security Exhibition and Conference—IFSEC (01-446 8211) Olympia

April 15-17
National Welding Exhibition—NORTHWELD (0403 65747) Manchester

April 21-25
International Brewing, Bottling and Allied Trade Exhibition—BREWEX (021-705 6707) NEC, Birmingham

April 21-25
International Packaging Exhibition—PAKEX (021-705 6707) NEC, Birmingham

April 29-May 1
British Electronics Week (0799 26699) Olympia

May 11-14
Business to Business Exhibition (01-729 0677) Barbican Centre

May 11-18
London International Furniture Show (01-385 1200) Earls Court

May 13-16
Communications Equipment and Systems Exhibition—COMMUNICATIONS (021-705 6707) NEC, Birmingham

May 18
Antiques Fair (01-883 7061) Alexandra Palace

OVERSEAS TRADE FAIRS

Current
International Machine Tool, Metalworking & Allied Industries Exhibition (until March 26) (01-486 1951) Beijing

Current
Fashion Week (until March 26) (01-486 1951) Munich

March 26-29
SE Asian Building and Construction Equipment Exhibitions—CONEQUIP / SIBEX (01-891 5051) Singapore

April 14-19
Mini/Micro Computers, Software and Software Packages Exhibition—SPECIAL SICOB (01-439 3964) Paris

April 20-24
Third Saudi Oil Show (01-486 3741) Al-Khobar

April 22-26
International Packaging Exhibition—PROPACK (021-705 6707) Brussels

April 22-25
International Traffic Engineering Trade Fair (01-437 2175) Amsterdam

May 2-15
International Printing and Paper Fair—DRUPA (01-493 3893) Dusseldorf

May 5-8
Business Efficiency, Office Automation and Business Communication Exhibition—BEE/OFEX (01-555 7777) Hong Kong

May 13-15
Production, Organisation and Technical Aspects of Shows & Meetings, Trade Fair and Congress—SHOWTECH (01-740 4444) Berlin

May 28-June 4
Mechanical Handling, Machine Tool & Products Exhibition (01-439 3964) Paris

BUSINESS AND MANAGEMENT CONFERENCES

March 25
Marketing Conferences: How to stay in business when the Financial Services Bill becomes law—Survival '86 (01-434 3711) Strand Theatre

March 25
Public Issue Conferences: Privatisation of the British Gas Corporation—industrial and economic implications (0932 246496) Press Centre, EC4

March 25
ICMA: How will the Budget affect north-west business? (0925 51222) Haydock Park Racecourse

April 7-8
FT Conferences: Technology and the New Securities Markets (01-621 1355) Hotel Inter-Continental, W1

April 11
Nolan, Norton / BIM: Creating wealth in the 90s (0536 204222) Bowater House, SW1

April 14-15
European Study Conferences: The London International Construction Conference (0572 822711) Hilton Hotel, W1

April 14-15
FT Conferences: The fourth manufacturing automation forum (01-621 1355) Hotel Inter-Continental, W1

April 15-16
IBC: Marketing in the travel industry (01-236 4080) Portman Hotel, W1

April 15
Oracle Business Information: Tax planning for the single contract self-employed (01-727 3503) 22 Portman Close, W1

April 16
Information for Industry: The Middle East—the changing face of business (01-637 1019) Cumberland Hotel, W1

April 17-18
Institute for International Research: The financial, commercial and entrepreneurial opportunities for prospering through privatisation (01-434 1017) 116 Pall Mall, SW1

Anyone wishing to attend any of the above events is advised to telephone the organisers to ensure that there has been no change in the details published.

THE ARTS

Mr Government/Edinburgh

Martin Hoyle

Edinburgh's attractive Royal Lyceum is doing its duty by native talent in staging Stuart Paterson's *new work*, a rare production of a full-length Scottish play. Actually rather longer than full-length, or so it seems. Both languaga and ideas are as grey, unyielding and time-encrusted as Auld Reekie itself.

Embittered, neurotic and damaged physically and spiritually, Jake Reid *returns* to Ayrshire a full 16 years after the end of the Great War. Younger brother Bobby has started a promising road haulage business and acquired a doll-like wife of 19. The lattar is a townie, ill at ease in the country and despised by the locals. Meanwhile, wild Jean Cairney, a gypsy-like 11wed mother, grimly reminds Jake of thair past involvement and her idiot son capers innocently, mouthing *childish phrases of cryptic simplicity.* Jake is obsessed with proving himself despite doubling up with stomach pains at moments of high tension. He brings a brutal pushfulness to his brother's business and irresistibly attracts the girl. All this and much more in the very long bour and a half of Act 1.

Tha predictahla development *is old hat*, both in treatment and content. There are hinıs that the author'a penchant for monologues and impassioned debate looks toworda models in the *Irish* theatre; but the language is leaden where it should soar, turgied where it should be clear.

Hugh Hodgart'a direction evokes atrong palying from a gifted cast. Martin Black gets Jake'a speeches in the right order (this is the sort of dialogue where passages could be transposed and neitber the audienca nor, I suspect, tha actors would notice), and Caroline Paterson'a forlorn *young wife is highly promising.* Most of the pleasure comes from Gregory Smith'a sets, tbe corner nf a kiteben, white ahelving towering against a hackground of faint telegraph-poles receding into a poin*tilliste* mist; and the atellar blaze of tbe atylised night sky under wbich Jake clutches his tnmmy for the last time while bls *idiot* son (for such he is) capers orcularly on.

Under One Banner/Glasgow

Martin Hoyle

An old Edinburgh friend of mine maintains that the Scots have no sense of irony. Thia may be why the stage company 7:84 Scotland *have* come a cropper on their current tour.

In the splendidly appointed *Mitchell Theatre*, an adjunct of that noble domed library below the wrong end of Sanciehell Street Under One Banner purports to *show* how the old divisions between Oranga and Green "are kept going." Based on the importation of starving Irish labour tu replace striking Scottish miners in the last century, the piece portrays bigot both prod and papist, a sinister English-accented villain, and a *twosome* — a relentiessly pluckqy blind girl (Scots) and an idiot boy (Irisb) whose deformities make the Hunchhack of Potre Dame look like Paul Newman—beside whose whimsical sweetness Peter Pan resembles Romans in Britain.

Too late it emerges that the author, Sean McCarthy, has meant to parody the larmoyant melodramas of Boucicault, end thet what seemed the stilled artifice of amateur pantomime is in fact deliberate. All credit to the handicapped innocents of Corinne Harris and Ian McCurrach who *play it as* straight demands and sympathy to some others who seem as uncertain as the polite audience as to whether to go for laughs or not.

Humour may have been the original aim, but the spirit has evaporated, leaving a listless, ambarrased and sometimes embarrassing string of facetioua improbabilities that devalu?s any message end leaves us wondering just what—eviction, idiocy, drunkenness, deflowering, oppression—we should take seriously.

Nora Connolly, as the colleen who loses her virginity to get ber father whisky, makes the *most of some overtly funny lines* ("Look casual" she urges the twisted tic-ridden twitcher as her sedncer approaches); but most of themen look merely glum in David Maciennan's production. Attributing a tragedy that daily exacts blood and resources to a hissable top-betted *demon king is* glib, cheap and evasise. The roots of centuries-old tribal batreds are petronisingly ignored, and the play'a final hint that "our masters" are still manipulating such dissensions reveals the conspiracy theory turning to paranoid poppycock. Thetour continues: next week *Irvine, Livingstone* and Aberdeen.

"There's a drip frae the roof." The voice from the audience was as *sepulchral* and resigned as the Scots religion: but driving wind and rain failed to damp the cheer of a lunch-time crowd at the Tron, the converted church which is now a lively central Glasgow theatre (and packed lunch-bar). The Naional Theatre has brought Simon and Shaw to the Royal: among the spin-offs, Robin Bailey'a one-man platform performance, *Tales from a Long Room.*

Architecture/Colin Amery

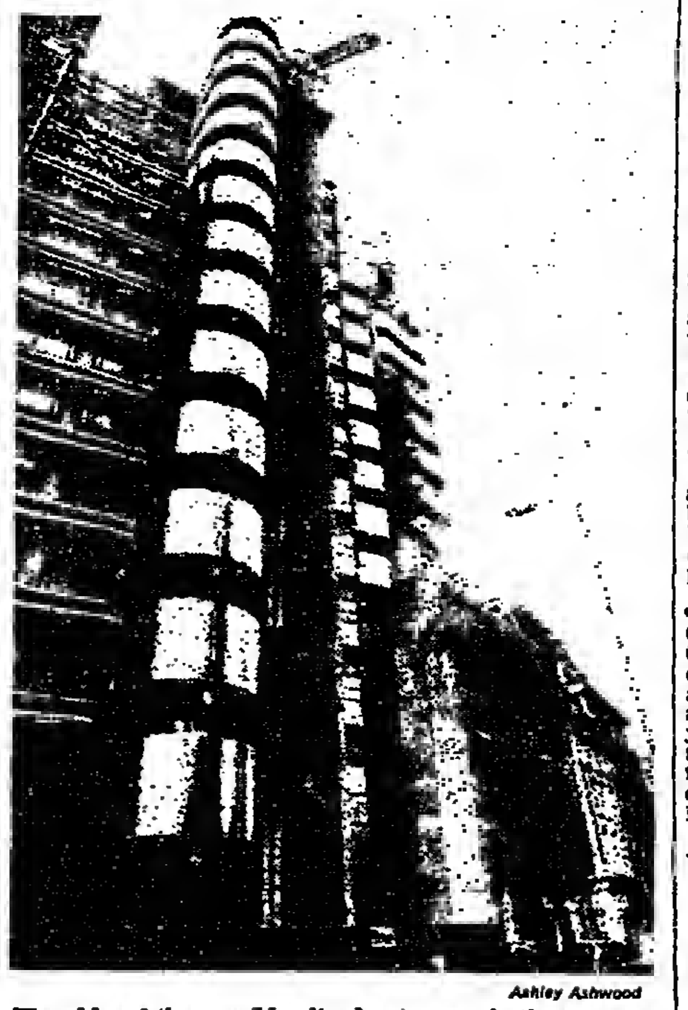
Phenomenal Rogers unmasked

At las the truth con be told. The secret is out. You can discover for yourselves the ogony and the ecstasy that lie behind the new Lloyd'a beadquarters. Not since Vasari wrote his *Lives of the Artists* in 1550, or possibly since Frank Lloyd Wrigbl'a *An Antobiography* of 1932, has tha life of an architect *been so* roundly told as in *Richard Rogers: A Biography* by Bryan Appleyard, (Faber Paperback, £9.95).

Until this 350 page book appeared Richard Rogers was known principally for his diagonal braces—not the sort ha might wear over hia coltarless shirts—but a kind of structural tour-de-force exposed on the ontsides of buildings such as the Pompidou Centre or the Inmos factory in Wales.

In many ways this biography offers us enormous comfort. It is so frank and intimate that there are no cover-ups. As he does *in* bis architecture so in life, Rogers lets everything show.

And with everything revealed, including the constant sethacks to his career, the reader is amazed at the triumphant success he has made of bis life. Richard Rogers is in his early fifties and there are other older and more interesting architects whose lives will never be thus recorded. The truth is that Rogers (throughout the *book*, even as a habe, he is called Rogers) ia a man of his times. He knowes that marketing and promotion have become major ingredients in the architecture business and bis buildings are sufficiently weird and wonderful to invite comment and inquiry about their maker.



Ashley Ashwood

The old and the new Lloyd's, due to open in the autumn

Coming from that interesting band of Anglo-Itallan famllies around Trieste, Roger's start in life was privileged *and confortable*. Despite the fact bis parents had to leave Italy ln the war and struggie a bit in England there were always subsidies from th ematernal grandparents, the Gairingers—true Trieste grandees.

I enjoyed the way Mr Appleyard sets up the situation for Richard Rogers to become "Our Hero." He contrasts, "cultiveted, informal, wealthy Italy" *during* the 1940s with "derk, poor, grey England," scarcely pausing to acknowledge the struggle England led to rid the world of the Italian and German Fascists that so many "comfortable" Italians tried to ignore.

He paints a picture of *England riddled with mean* streets of back-to-back houses, their occupants waiting for Modern Architecture to release their chains. While Richard Rogers was apparently trying out existentialism in Epsom with underwriters' daughters the first social experiments were being carried out in tower blocks.

We are told that Rogers cannot draw, has dyslexia, *goes* to prison, marries twice, bas lots of depressions, adopts a child, is "interested" in reading, wams to turn the Tate intothe Pompidou Centre (he is chariman of the trustees) and that he is *writing* a book with bis second wife to be entitled, "Sex Food and Arcbitecture." Despite this embarrassing information we have to admit the man bas got something.

Whet is clear from Roger's life is that he has a great gift for selecting gifted partners, both in and out of bed. He clearly needsthem, to help him realise his extraordinary and extreme visions. His muddled education and personal problems make rivetting, but not very *serious*, *reading* to an outsider. This biography is important, though, as an accurate picture of an architectural phenomenon of our times. Yet it really reveals surprisingly little about architecture, because it is so anxious to tell so much more. Whet emerges is the conviction that for Rogers —and thus for his important clients, like Lloyd's, ar.bitec*ture has no task* more important than the perfectio nof its own technology.

This is the crunch ebout Richard Rogers and his contemporaries, and it is where a lot of people disagree with them. Mr Appleyerd presents a powerful apologia for Rogers and his kind of architecture but too much of his book is written with blinkers on. Despite that, I highly commend it. It is a fluent and easy read. I only hope it will not breed e whole crop of "kiss-and-tell" architectural biographies. All underwriters should read it at once, most architects shouldn't.

The Coronation of Poppea/Marlowe, Canterbury

Richard Fairman

With *I Claudius* being repeated on television the major figures of Imperial Rome are vividly before onr eyes. The plot of *The Coronation of Poppea* moves the story on a few years; but, like Graves, Monteverdl and his librettist Busenello were fascinated by these historical characters, a groop of people so extreme and unbridled that they lived out a drama mere fiction could never equal.

The opera was the last and most glorious of all Monteverdi'a *extant* works *for* the stage. For all the problems of mounting works from this period, its potential as a piece of theatre is still so obvious that almost every opera company is ready to have a go: ENO has a production of Coliseum-sized proportions and not so long ago the Paris Opéra put it on with an all-star cast that might have been ideal for Wagner's Tristan. Northing, it seems, it ruled out of court, if it might bring this piece *to a present-day audience.*

For their new production, which opened at tha Marlowe, Canterbury last week, Kent Opera have understandably chosen a more authentic approach. Ivan Fischer, named as conduclor, leads a group of just about a dozen instrumentalists and *the greater part* of the opera is accompanied by continuo alone. This (his only indulgence) comprises two organs, two harpsichords, lutes and cellos, with a corresponding wide range of sonorities.

What we aee is equally spare. In the planning stages Jonathan Hales and Roger Butlin, producer and designer, had apparently considered an approach along *I Claudius* lines, but gave it up when they baulked at the idea of putting their musicians on stage wearing togas. Instead we have ruffs, breaches and formal gardens—a 17th century setting, hnt in a black-and-white colour *coordination*, *as* seen through the eyes of somebody who has visited Habitat once too often.

With so many of the usual distractions, botb visual and musical, cleared out of the way, one might have hoped to focus attention on the real people, *who make up* this opera's beart. But it is precisely bere that the prodnction has its most serious shortcomings. Many of tbe relationships on wbicb the piece depends *were* fudged or missed their mark, even when Monteverdi'a score is so vivid in its dctail that tbe cbaracters ahould be reedy to leap off the page.

Where, for instance, is tha real Nero? Not here in the guise of soprano Patricia Rozario, whose genial and *diminutive* figure did not begin to approach the proper imperial insanity, for all the lovely singing that sba lavished on the part. Perhaps only a heroic mala castrato can ever have done the rola justice. Nor was she well-matched with Ulrik Cold's Seneca, a far too everyday character. Their scene together was an interplay of misplaced reactions on both sides.

Others fared better. Eirlan James fleshed out at least the basic nature of tbe wanton Poppea, especially when she was laid out on the massage couch; and Michael Chance and Eileen Hulse were an effective secondary palr of lovers, both pbrasing their music with sensitivity. But it was only Sarah Walker's tragic Ottavia, restrained and yet genuinely moving in her two great monologues, that fully entered into the spirit of the role she had to play.

The comic element probably came across beat. (Some versions curtail the lighter scenes to speed the evening along). Christopher Gillett, *cheeks* rouged and red wig aloft, judged bla comedy to a nicety as the naughty old nurse Arnalia and treble Dominic Martelli'a Cupid showed a wicked aense of timing for one ao young. The company has time to put the real right. Their tour of the South lasts until mid-April and there are still a couple of episodes of I Claudius to go.

China/Bush

Antony Thorncroft

Night-club owner Mr Chandler picks up two "mysteries,' one male, one female, in a dark alley. Hhe goes with them to a seedybasement." Let's take off each other's clothes and have fun," says Chandler Later they both go to work for blm at his club, as bar girl and bouncer, after the boy attemps some ineffectual blackmail. As the lights black out at the end of Mark Brennan's episodic play Mr Chandler is contempalting e return to the basement with his own employees, now quite in his thrall.

In the absence of plot or character *development* China's main justification is as a metaphor for Thatcherite Britain wbere the rich will always exercise complete control over the poor and the powerless. It is a bleak message crudely put across through the milieu of a tacky clip joint.

Brennan is only 23 and inexperience shows. He can write powerful dialogue in a Pinteresque mode; not surprisingly the tensest scenes are those of sexual confrontation between Chandler and Wiliams, the boy who scrapes a living by selling bar-room gossip to the media.

A series or short, sharp episodes hardly amounts to a play, especially as the parts remain resolutely one-dimensional. At the start it is mildy intriguing that the girl China sbould hug her past to herself as closely as a guilty secret; by the end it is mildly irritating.

With such a feckless, faceless crew to manipulete Chandler comes across as the only genuina character—with certainties based on the knowledge that the gift of a £20 note makes good any act of outrage he naturally draws all his associates into aubservience. Stuart *Wilson* gives a *commanding* performance as a man who can bide away his domestic failures beneath the domination he enjoys in his club and yet still suggest an ingrained dissatisfaction with the way of the world.

Just as the characters struggle to rise above tokenism so does the club setting — I can't imagine a more depressing spot in whicb to be relieved of £50 for a hottle of flat champagne, although tbe scenes wbere the "exploited" punters exchange ritualsed amall talk with tbe "*exploited*" hostessea heve a sad credibility.

Slan Thomas as Cynthia, the old pro among the bar girls, has the best of the one liners, but the two young names ln tbe cast, Eddie O'Connell (Williem), soon to be famous througb *Absolute Beginners*, and *Netasha* Richardson (*China*), are not given much material to build on. For much of the time Ms Richardson falls back on that unreal, toneless, demotic accent wbicb mother Vanesse Redgrave employs to show proletarian solidarity.

SNO to make European tour

The Scottish National Orchestra with conductor Neeme-Jarvi is to make a 14-day tour in Europe from April 22 to May 6. Cities visited will include Madrid, Barcelona, Viennn, Berlin, Dusseldorf, and the capital of Lichtenstein, Vaduz.

Arts news in brief . . .

The Minister for the Arts, Mr Richard Luce, has refused export licences for three works of art in order to give national institutions the chance to raise matching sums of money to keep them in the UK.

A Raphael drawing of the Virgin and Child with St John must stay here another six months but if, after two, no national museum is active in raising money to keep it, it could then go. A print by Mantegna, valued at £381,944, and a Capodimonte ewer and basin modelled around 1750 by Giuseppe Gricci, and with a £100,000 price tag, cannot be exported for three months.

*

The Miracle Plays in Cardiff on March 27, 28 and 29 will be sponsored by Allied Steel and Wire Ltd for the second year running. The event involves a cest of over 150 local people, with professional actors and production team.

The Snow Maiden/Logan Hall

Richard Fairman

Rimsky-Korsakov was immensely proud of bis opera *The Snow Maiden*. With this piece he declared he was "a fully matured musician and operatic composer who bad finally come to stand on *his* own feet." Its story was a pantheistic hymn to nature and in his summer retreat in the country among cherry trees, wild strawberries and lilacs in bloom the composer felt at one with its spirit.

There he found the music came easily. Too easily, perhaps, as the opera turned out to be a long one, invariably cut in Rimsky-Korsakov's own day and running on at ona of its first complete performances to one in the morning. For their concert performance the Chelsea Opera Group, as part of the Camden Festival, did not keep *us quite that* late. But with only one interval they were able to squash in most of the score with only *minor excisions.*

There were certainly times when it seemed a long evening. For this *Snow Maiden* the thaw bad apparently already set in: Howard Williams led a soggy performance and his choral and orchestral forces only *hit* their best, most incisive ensembla in the climactic moments. But, just when longueurs threatened, the music would invariably chance upon some novel barmony or vocal solo of real interest, like the magical cavatina when the Snow Maiden is sighted by the Tsar, and bring the evening elive again.

For these moments the opera is really worthwhile. In particular, Rimsky-Korsakov used his schame cf inclnding many small solos to build up a character of unusual sympathy and fragile beauty in his beroine, the *supernatural Snow Maiden.* To this role Anne Dawson brought much singing of distinction. Perhaps she bas more body in the voice than tha composer intended, but one could hardly complain when there was also such luminous, gleaming tone.

The troubled humans were less interesting. Bnt this was no fault of Eiddwen Harrhy or Robert Hayward, who brought at *least* a dash of vitality to their roles of Kupava and Mizgır. Fiona Kimm was the pnckish Lel, whose folk-like solos have becoma the most *familiar* parts of the score. The people who left early missed the best hits. Tbe fantasy and luscious romance of the last act are wbat the opera is all about.

Philharmonia/Festival Hall

Andrew Clements

Sibelina and Schoenberg ended their careers at the *opposite poles of 20th-century* music, but they sbared a common starting point ln the Wagnerian/Brahmsian flux of late romanticism. For his concert with the Philbarmonie Orchestra on *Thursday* Esa-Pekka Salonen juxtaposed early Schoenberg and early-ish *Sibelius: Verklärte Nacht* separeted Sibelius's *Pelléas et Mélisande* Suite from bis Violin Concerto.

Perhaps there was a more specific point being made, for the theme that opena "At the Castle Gate," the first of the *Pelleas* numbers, bears a striking resemblance to one of tha main atrands of *Verklärte Nacht*: a matter of convergence rather than influence surely, but nevertheless sufficient to serve as a reminder that the two composers' expressive worlds at *least* touched once. *Salonen* used almost a full string section for the incidental music, though the score specifies a small orcbestra; it anahled bim to achieve some highly sophisticated gradations of texture and dynamic, but gave the essentially lightweight framework — given withont two items bere — a massiveness that was not always appropriate.

The tendency for exaggerated expressiveness that showed itself in the slower pieces was taken a dimension further in Scboenberg's tone poem, wbere the contrasts between luxuriant rubato and driven climaxes did littla for the structure of the work. *Verklärte Nacht* does not usually betray any *longueurs*, but it did so on this occasion, and some roughness that crept into the previously immaculete playing of the Philharmonia suggested that concentration spans were being tested to destruction by Salonen's tempi. *There were*, however, a number of memorahle ideas, dramatic effects vividly realised.

Kyung-Wha Chung did not give the condnctor the opportunity to delay matters in the Violin Concerto, though the opening bars were lovingly drawn out. Thereafter she kept the music on a taut dramatic thread, urging the first movement towards its climax with jagged sforzandi and fierce, urgent tone. It was a remarkahly well rounded account, aa notable for its tecbnical excellence as for its attention to structural detail.

Forthcoming exhibitions at Whitechapel Gallery

From Marcb 27 to May 25 the Whitecbapel Gallery will present *In Tondem: The Painter-Sculptor in the Twentieth Century*, en exhibition of painting and sculpture by *artists* wbo bave worked in both media, including Picasso, Matisse, Giacometti, Miro, Lichtenstein, de Kooning and Baselitz.

The work of the Englisb painter Victor Willing will be on show from June 6 to July 20 and will comprisa 25 paintings and 50 drawings. It will be toured aubsequently.

From July 30 to September 7 artists of Afro-Caribbean background will be exhibited, detaila of whlch have yet to he arranged, and from September 19 to October 26 an exhibition of Julian Scbabel'a work, ln conjunction with the Pompldou Centre, will he on abow; this will travel tc Paris.

The final ahow in 1986 will feature the work of David Smitb, a prominent American sculptor of the post-war years wbo died in 1965. This bas been organised in conjunction with the Nordrhein-Westfalen Museum in Dusseldorf

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

Mar 21-Mar 27

Music

PARIS

Verdi's Le Trouvère in concert version played by Orchéstre National de France with Radio France Choir conducted by Riccardo Chailly (Mon). (Théâtre des Champs Elysées (4723 4777).

Orchéstre de Paris conducted by Erick Leinsdorf with Jessye Norman: Beethoven, Strauss, Hindemith (Mon). Salle Pleyel (4561 0630).

Ensemble Orchestral de Paris conducted by Jean-Pierre Wallez, Bernard Ringeissen, piano: Haydn (Thur). Salle Gaveau (4563 2030).

Nouvel Orchéstre Philharmonique conducted by Leopold Hager, Michel Portal, clarinet: Mozart (Thur). Théâtre des Champs Elysées (4723 4777).

ITALY

Milan: Teatro Alla Scala: Riccardo Muti conducting Schumann and Tchaikovsky (80 91 26).

Florence: Teatro Comunale: Mozart's Mass in C minor conducted by Eduardo Mata, with the sopranos Edith Wiens and Margaret Marshall: tenor Giuseppe Costanzo and bass Arthur Korn. (Tue, Wed, Thur). (277 9236).

Rome: Teatro Olimpico: Cleveland Quartet, Beethoven (Tue and Wed). (39 33 04).

VIENNA

Joan Moll, piano. Chopin, Bach, Albeniz, De Falla. Palais Palffy (52 56 81). (Wed).

Zeynep Yamantuerk, piano. Haydn, Schumann. Boesendorfer Saal (65 66 51). (Thur).

NETHERLANDS

Amsterdam, Concertgebouw. The St Matthew Passion, with Meindert Boekel conducting the Netherlands *Philharmonic*, the *Royal Christian* Oratorio Choir and the Excelsior Society, with Roland Bufkens (Evangelist) and Charles van Tessel (Christ) (Mon, Tue, Thur). Recital Hall: Udo Reinemann, baritone, accompanied by Rian de Waal. Liszt, Busoni, Strauss (Mon). Valter Despalj, cello, and Arbo Valdma, piano. Boccherini, Mendelssohn, Dohnanyi, Foss (Tue). The Israel Chamber Orchestra, with Emanuel Gruber, cello. Vivaldi, Schoenberg, Boccherini, Tchaikovsky (Wed). (71 83 45).

Utrecht, Vredenburg. The St Matthew Passion performed by the Netherlands Bach Society conducted by Jos van Veldhoven, with Howard Crook (Evangelist) and Harry van der Kamp (*Christ*). *Tue*). *Recital* Hall: John Shirley-Quirk, baritone, accompanied by Martin Tsepp, Finzi, Blake, Schumann, Ravel (Tue). Vermeer Quartet, with Nobuko Imai, viola. Schubert, Webern, Mozart (Wed). (31 45 44).

SPAIN

Cuenca – Festival of Religious Music. *Monday*: European Chamber Orchestra with soprano Sheila Armstrong conducted by Walter Weller, Vivaldi, Handel, Mozart and Haydn, Church San Pablo. Tuesday: Ensemble Vocal de la Chapelle Royale, Collegium Vocale de Gent and Orchestre de la Chapelle Royale. Jennifer Smith soprano, Charles Brett *contralto*, *John Elwes tenor*, *Joseph* Benet tenor, Michel Brodard bass and Richard Jackson bass. Bach's St Matthew Passion, Church San Pablo. *Wednesday: Ensemble Vocale et* Instrumental de la Chapelle Royale, Rameau, Charpentier and Campra. Church San Pablo. Thursday: concert by soprano Lynda Russell, accompanied by Andrew Ball. Purcell, Frescobaldi, Stradella, Humfrey, Bach, Wolf, Rubbra and Barber, Church San Miguel 12.30; Orquesta de la Ciutat de Barcelona and Coral Carmina conducted by Antoni Ros Marba. Church San Pablo. (22 69 12).

LONDON

Philharmonia Orchestra and Chorus conducted by Andrew Davis. Isobel Buchanan, soprano, Alfreda Hodgson, *contralto*, *Maldwyn Davies, tenor*, Jonathan Summers and Stephen Roberts, baritone and Stafford Dean, bass. Elgar's The Apostles. Royal Festival Hall (Mon). (928 3191).

Amadeus Trio with Rodney Slatford, double bass and Imogen Cooper, piano. Mozart and Schubert. Barbican Hall (Tue). (638 8891).

English Chamber Orchestra directed by Mitsuko Uchida, piano. Wagner and Mozart. Queen Elizabeth Hall (Tue). (928 3191).

London Philharmonic Orchestra conducted by Klaus Tennstedt with Jon Kimura Parker, piano and Arleen Auger, soprano. Liszt and Mahler. Royal Festival Hall (Tue).

Royal Philharmonic Society: BBC Symphony Orchestra and Chorus and BBC Singers conducted by Seiji Ozawa with Dietrich Fischer-Dieskau, baritone, Maria Fausta Gallamini, soprano, Kenneth *Riegel, tenor*, and Phillippe Rouillon, baritone. Messiaen. Royal Festival Hall (Wed).

NEW YORK

New York Philharmonic (Avery Fisher Hall): James Conlon conducting, Salvatore Accardo violin. Copland, *Paganini, Prokofiev* (Tue); Raymond Leppard conducting, Stanley Drucker clarinet. Haydn, Copland, Mendelssohn (Thur). Lincoln Center (874 2424).

Carnegie Hall: Orchéstre Symphonique de Montreal. Charles Dutoit conducting, Alicia de Larrocha piano. Berlioz, Beethoven, Debussy, Ravel (Mon); Orchéstre Symphonique de Montreal. Charles Dutoit conducting, Isaac Stern violin. Schubert, Dutilleux, Tchaikovsky (Tue). (247 7459).

Merkin Hall (Goodman House): Concerto String Quartet. Hans Werner Henze: Three Epitaphs (US premiere). (Tue); Music Today. Gerard Schwarz conducting, Irene Gubrud soprano. Bright Sheng (world premiere), Roger Sessions, Gerald Levinson, Bruno Maderna (Wed). 67th w. of Broadway (362 8719).

WASHINGTON

National Symphony (Concert Hall): Michael Tilson Thomas conducting, Marcus Thompson viola. Telemann, Mahler (Tue); Mstislav Rostropovich conducting, Bella Davidovich piano. Rachmaninov, Shostakovich (Thur). Kennedy Center (254 3776).

CHICAGO

Orchestral Hall: Daniel Barenboim piano recital. All Beethoven programme (Tue, Thur); Orchéstre Symphonique de Montreal. Charles Dutoit conducting, Yefim Bronfman piano. Mendelssohn, Beethoven, Debussy, Ravel (Wed). (235 8111).

Saleroom/Antony Thorncroft

Fine wine prices decline

Thla la Impresslonist and modern *paintings week in London*, with sales at Sotheby'a, Christie'a and Phillips. There may be no masterpieces on offer but that is the state of the market — ever increasing demand is chasing diminishing supply, with a resulting rise in prices and extra interest in second-rank artists.

At Sotheby'a, for example, a portrait by Gustave Caillebotte could make £70,000 as against nearer £10,000 five years ago. Ha was one of tbe early Impressionists but has heen out of favour for years. German expressionists, like Franz Radziwill, are in the same price range, and artiats like Dufy, de Chirico, and Chagall, should also do well.

The top price, however, is *expected for a Monet landscape*, estimated at £350,000-£450,000, more than donble the price it reallsed in 1980. There is also an interesting small Van Gogb of lovers, cut from a larger canvas that be jettisoned.

Phillips concentrates on Newlyn pictures from tha modern British *school*. A view of Lamorna Cave by Samuel Birch, which was exhibited at the Newlyn show which toured the country last year, carries a top forecast of *£22,000*, while there are two Harold Harveya in the £18,000 class. Top price could be around £50,000, for a Slanhope Forbes. There are eight works by Augustus John, two by Lowry, and a Henry Moore bronze, a maquette for a aeated woman, 1956, at *around £40,000.*

The next day Phillips aells eutomobilia and aeronautica, including 70 car mascota, ranging from several Rolls-Royce "Spirit of Ecstasy," to a Lalique glass falcon with a £500 forecast. A silver plated figure of Biggles might sell for £250.

The price of fine wines has been falling in the past year as Americans, the main buyers, bave found their dollars depreciating ln value against European currencies. Sotheby's estimates that first growth clarets have dropped in price by 20 per cent and more, aince last May, and it haa dropped its reserves on the 60 vintages of claret on offer on Wednesday.

The most expensive wine is a magnum of Chateau Lafite, 1869, whlcb carriea a hroad forecast of £1,600 to £3,000. An early 18th century French iron pocket corkscrew could approacb £2,000, and there are over 2,500 mature Havana cigars on offer from Dunhill'a cigar maturing rooms: many are in sizes no longer readily availahle.

Over 350 scientific instruments collected by Arthur Frank come under the bammer at Sotheby's tomorrow, the most important group of its kind to appear in the last 25 years. It is strongest in microscopes and ıelescopes, with fine pocket watches, marine chronometers and sundials.

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Monday March 24 1986

Glenholmes escapes

THE RELEASE of Ms Evelyn Glenholmes, a prime suspect of IRA violence, by a Dublin court on Saturday is not the first time in Anglo-Irish affairs that the courts have defied the hopes of government but it is in many ways the most dramatic.

Ever since the current round of troubles in Northern Ireland began there has been a history of convictions not being made because the authorities were unahle to deliver the evidence in such a way as to convince the court. *Mr Gerry Adams, a* suspected leader of the IRA, has been held in Belfast, then released hecause the evidence was judged not to stand up. There have been attempts at extradition nf suspected IRA members from the US which have hroken down becsuse American courts found reasons not to comply. All that is par *for* the *course*, and may be even regarded as a healthy sign of the independence of the judiciary.

The case of Ms Glenholmes, however, is different in two respects. First of all, she is suspected of offences which are dramatic even by the standards of the IRA and include the planning of some nf the most murderous attacks on mainland Britain. Secondly, and more importantly, he release follows shortly upon the signing of the Anglo-Irish Agreement last November.

Good intentions

That agreement was meant, *inter alia*, to make co-operation between Britain and the Republic of Ireland nn all such matters so much easier. Indeed it was the promise of more coordinated policing, more extradition and more convictions in the courts that was intended tn sweeten the agreement for Ulster Unionists who, in principle, dislike any liason between London and Dublin.

The shambles over the weekend does not suggest thst the accord is working terribly well. There is ammunition for the Unionists to say that Duhlin cannot he trusted, whatever might be the good intentions of Dr Garret FitzGerald, the Irish Prime Minister. The Irish Government can say—in fact, has heen saying quite *sharply*—that lt was British incompetence that led to the request for Ms Glenholmes's extradltion on the hasis of warrants that could be held to be invalid in court. The British can blame tha Irish for not foreseeing the technical reasons for her release.

Yet, whichever way one looks at lt, it is the IRA which has had a field day, not with a rifle but in the courts *and*, to some extent, in the streets of Duhlin where supporters and sympathisers rapidly conducted Ms Glenholmes to a safe retreat.

The mutual recriminations between London and Dublin should be stopped at nnce. The fsct thst the Anglo-Irish agreement went awry in this case does not mean that the agreement is wrong in principle. On the contrary, lt means that an inter-governmental accord is only a first step. What matters is that cooperation between the two countries should extend all the way down the line: *not just* hetween foreign ministers and chiefs of police but to the lowliest police constables.

The agreement should not impinge on the independence of the jndiciery. It should go without saying that hoth Britain and Ireland will accept the judgments of the courts: that is the only way to provide freedom under the law.

In the special Anglo-Irish circumstances, however, there is always bound to be some residnal sympathy for the nationalist cause, a tendency among some lawyers to give the Irish nationalists the henefit of the donht, whatever the charge, lf any reason can be found to do so.

That means that any charge will have to be most meticulously prepared. For Ms Glenholmes to have been released nn a technicality amounts to an extraordinary degree of incompetence.

Britain ehnuld have learned that lesson long ago from the charges that have been brought and failed to strick in the courts nf Nnrthern Ireland. The Irish should be learning it now. Better still, the two countries should be learning lt tngether. Lawyers can be very clever people, more interested in a particular case than in the state of Anglo-Irish relatinns or peace in Ulster. It is up to the governments to employ good lawyers as well and not make silly mis*takes* of a *kind which* — *this* weekend — have nnly compounded the problems.

Silly games with petrol

MR NIGEL LAWSON the Chancellor, must he hugely enjoying his Budget joke against the oil companies, the media and fellow MPs over the cost nf a fill-up.

It has developed intn one of those grand but pointless dramas which the British political machine does so well. The Opposition's fire was diverted on to the oil companies. The Prime Minister has pronounced on the proper number of pence at the pump, while Downing Street officials hsve offered discreet guidance as to what she "really meant." An all-party cheap-gas-for-Britain-movement sprung up instantly in the Commons, while sn oil company chairman sprayed petrol on the flames with a robust defence of the profit motive.

Suspense mounted after Shell and BP were reported as defying the Chancellor by decidlng to pass all of the Budget's 7½p duty increase nn to the consumers this weekend. Then, after Mrs Thatcher very sensibly advised motorists to patronlse the cheepest suppliers, Esso came in with an oracular announcement that the whole dutv increase would be passed on hut the Impact on motorists would be mitigated at pumps where prices were above average.

Mr Lawson may be allowed to chuckle, for he has managed to turn to his advantage a wilful confusion by most newspapers and MPs between the Inflationary and the "real" parts of the annual rises in excise duties.

The fact was that the Chancellor was under strong temptation to skim off a little extra benefit for the taxpayer which would he easily obscured in a confused and falling market; bnt in the event he decided to tonch the revenue throttle so gently that petrol dnty rose hy only 2p above the routine 5½p increase needed to maintain speed against inflation.

Stylish topspin

This 2p was a sensible exchange for a real-terms reduction in the price of licence discs. As it happens, it is also about the same as the concealed surcharge levied hy most petrol companies for "free" glasses, soup bowls "spending spree vouchers" silly games and other promotions. Since many motorists cheerfully pay this hidden extra, even when lower prices are available a few miles down the road, it was a fair presumption that the Budget increase could he absorbed quietly and without fuss.

However, Mr Lawson preferred to put the ball into the oil companies' court with stylish topspin, suggesting their margins had become excessive so that they could easily absorh the increase, inflationary element inclusive.

He seems to have won the point, though perhaps not the while game, for as one oil company executive remarked, prices will eventually settle down at a level equal to whatever they would have been plus 7½p.

Meanwhile, a Conservative government has got itself into an odd posture hending over backwards to defend the consumer while at the same time lecturing the participants in a free market on prices and margins. Tory ministers should hardly nbject if oil companies start to make profits in a market where they have made losses nr meagre returns for half a decade.

Undoubtedly the oil companies have done rather well recently in the retail market. As they see their profits from oil production crumbling with the prospects of mejor cut hscks ln exploration and development, it is understandable that they should try to keep the downstreem bonanza going as long as possible. One consequence is that motorists have been paying more for petrol and derv than might have been etrictly necessary.

But there is no evidence at all that this need be a matter of political concern. The forces of the market place are demonstrably working to produce a new equilihrium at a lower price. This may be happening more slowly than motoring interests would like. However, this is partly because motorists have been prepared to heve their sensitivity to prices blnnted hy ingenious marketing through give-aways competitions and the hrighter, more tempting appearance of petrol stations. If consumers had been more aggressive in searching out the lowest price, tha targe oil companies would probahly have been forced to concede lower prices more quickly. Mr Lawson may have enjoyed his little game. It was a useful luhricant but it is now time for the Government to shut up.

FRANCE'S NEW GOVERNMENT

Jacques Chirac (left), Edouard Balladur and Alain Madelin

Now it's a balancing act for the bulldozer

By David Housego in Paris

THE NEW French Government of Mr Jacques Chirac is an animal that wears two faces.

The first is that of an administration in a hurry which wants to mark its distance from the Socialists and to redeem rapidly its promises, notwithstanding its fragile majority and the fact that it has to work with a Socialist President. This bears the stamp of Mr Chirac whose readiness to charge at fences as a minister under former President Pompidou earned him the title of the "bulldozer"—and who still flankers for a hectic first 100 days.

It is the side of the new government represented by Mr Chirac's decision to seek legislation that will allow him to push through the first part of his economic programme hy decree—thus short-cutting the National Assemhly. It is also reflected in the appointment as Minister of Agriculture of Mr Francois Guillaume, the president of the French farmers' union, who only 10 days ago was calling for a 4.7 per cent *increase* in EEC farm prices this year.

It is equally reflected in the naming of Mr Charles Pasqua, an old guard Gaullist, with a steel hand and Corsican ancestry, as Minister of Interior. He will be dealing with the problems of delinquency, immigration and terrorism.

The other face of the government is one of caution, of pragmatism and of seeking to avoid labour conflicts. It is represented by the appointment of Mr Edouard Balladur as the Minister of Economy and privatisation with the power of almost a vice-Premier in the Cabinet. Mr Balladur would be counted among the "wets" in the British Conservative Party —*a believer in gradualism*, in a prudent application of free-market economics and open tn dialogue with the trade unions. He is backed np as Minister for Social Affairs hy Mr Philippe Seguin, a warm-hearted Gaullist, who has long denounced the rightward drift of his party and who is also liked by the unions.

These two different approaches highlight the dilemma nf the new government's strategy. It is an administration that will be working under the searchlights of a presidential election at the most two years away—and possibly earlier.

It knows that it can make only little headway nn the long-term structural changes incorporated in its programme—above all the steady cutting of public expenditure and the budget deficit that would make possible a shift of resources to the corporate sector. The high indebtedness of French industry and its recently lnw level of investment have been among the major factors eroding French competitiveness and bence France's loss of market share in world trade in manufactured goods.

It is thus preparing a battery of short-term measures that will have the maximum psychological effect but minimum budgetary cost. They are intended to meet the expectations of industry while also creating more jobs—the most important single issue hy which electorally the government will he judged.

Into this category come such measures as the lifting of price and exchange controls; changee in the labour regulations making it easier for companies to declare redundancies — and which could cost 40,000 to 100,000 jobs, and joh boosting schemes that would encourage companies to take on more young people by rednciug companies' social security burden. It would provide flexibility on wage rates and waive current rules on labour representation which discourage small firms from taking on more people. It would also include a framework denationalisation law which would prepere the legal ground for the privatisation nf state-owned banks and Industries.

Mr Chirac's calculation is that all this will provide a momentum nf change within the country. Coupled with the improved economic nutlook as a result nf falling oil prices and the falling dollar which should this year give France its best economic performance since 1979, he feels that he would be lu a good position to fight an early election — ahould it be aprung nn hlm or ebould he decide to hasten it forward.

On the nther hand, a conservative administration cannot show itself less successful than the Socialists in managing inflatinn nr France's balance nf payments position. Nor can it take the risk, with an election just over the horizon, that its policies will provoke social strife. The unions—much weakened by the recession—are uneasy over the Right's proposals on labour flexibility, the easing of redundancies procedures, plant level bargaining over salaries and any partial abandoning of the minimum wage. Hence the need for caution.

Where the balance will be struck between the two approaches will emerge more clearly once lt becomes nhvious whether the new government intends to devalue the franc. Most bankers and officials believe that the government has the Easter weekend in which to seek a realignment within the EMS. If it lesves it beyond then, it will he difficult to hleme the change on the legacy *left by the Socialists*.

There is little doubt that if the Right had won it would have devalned immedietely—or rather sought a revalnation of the D-mark.

Since the last readjustment in March 1983, the cumulative Infistion gap with West Germany has climbed to 12 per cent. On this basis, a realignment js needed to restore the competitive edge to French exports, which have been stagnating over the past year, and tn provide a stimulus to growth—while at the same time enahling a lowering nf French interest rates which, in real terms, are at a historic high because of the need to defend the franc.

But French Treasury opinion is now against a devaluation. Mr Balladur is said to see no reason for it, and his staff nver the weekend called it "absurd." The Treasury view is that France this year has the possihility of bringing down its inflation rate to 1.5 to 2 per cent and that tn throw away that chance would be unforgivable.

In tactical terms the Treasurv believes that lt would be difficult to press West Germany for a realignment, at a time when French inflation in February was falling and when the current sccount thie yaer will be ln surplus—particularly in a week when the French will also be seeking an increase in EEC farm prices.

But the stroogest argument against a devaluation is thst French industry is in no position to benefit from it. The continuing trade deficit last year and the shrinking surplus on manufactured goods are signs thet French industry does not have the capacity to take sdvantage of a larger West German Internal market and that any further increase in French economic growth would only suck in more imports.

Yet if the government doea decide to maintain the parity of the franc, then it is tied to policies that would maintain the downward disinflationary movement so as to avoid any revival of pressure nn the franc. That would mean being more cantious over the lifting nf price controls and the raising of public utility tariffs to offset public sector deficits.

It would mean being tough in bolding down salary awards to public employees—which might have been one way of winning union support over *greater labour flexibility*. It would involve being less generous to the farmers than Mr Guillaume wants to be.

And it would imply as well that the government would bave to forego recouping some of the windfall of higher nil prices by raising the petrol tax —as advocated by Mr Chirac as one way of increasing budget receipts to bring down corporate taxation.

In political terms, such an approach would imply that Mr Chirac was looking to a longer term electoral horizon. For it is the policy advocated by the Socialists, and Mr Chirac could not hope to reap the fruits of it until much later.

So far power sharing between President Mitterrand and his new Prime Minister has been much smoother than most people had anticipated. There has neither heen the "disorder" predicted by the Socialists or hy Mr Raymond Barre, nor has the President been reduced to a puppet as Mr Giscard d'Estaing implied.

President Mitterrand looked frosty and isoleted at the first cahinet meeting of the new government on Saturday—suggesting that "co-existence" is a more appropriate word than "cohahitation" for tbis first experience under the Repnhlic of e Socielist President being faced with a Right-wing majority in the Nstional Assemhly.

Neither of the two protagonists bave much interest in an immediate conflict which would only prove that Mr Barre was right in saying "cohahitation" could not work and would probably glve him the Presidency in a presidential election.

In making a return to single seat majority voting one of his legislative priorities, *Mr Chirac* largely takes away Mr Mitterrand's hig weapon, which was his power to dissolve the Natinnal Assemhly. On present voting strengths, the single-seat system would give the Right a landslide. But Mr Mitterrand still has a strong card in his hands through his power to call a referendum or to resign himself—thus precipitating an early Presidential election.

There is no sign yet of a "witch hunt" among the administration to drive out Socialist supporters. Mr Chirac's language has been more that of conciliation.

That bodes well for the nationalised hanks and industries which were paralysed for a conple of years after 1981 in the uncertainties of denationslisation. The appointment of Mr Balledur as the man with overall responsihility for privetisation again suggests that the emphasis will be on avoiding unnecessary disruption with a case-by-case approach that conid include rapid privatisation of one or two "star" institutions like the Suez Investment Bank or Parihss — but that elsewhere privatisation could proceed more slowly through capital increases and sales of minority share holdings.

This would have the advantage of both maintaining some stahility on the Bourse while avoiding a parcelling out of the spoils to wealthy financial groups whose huying up of substantial stakes would be politically unpopular.

Mr Mitterrand has emerged much strengthened from the election as a result of the unexpectedly bigh 32 per cent of the vote scored by the Socialists. He has let Mr Chirac have *his* head over the use of legislation hy decree—while clearly reserving the right to hargain with the Prime Minister over the texts (including privatisation) which are actually presented to him.

His bope obviously is that in negotiating the narrow tightrope of the economy, union unrest and the internal divisions of his own coalition, Mr Chirac will take a tumble.

In seeking a vote of confidence when the new Assembly meets on April 2, Mr Chirac's intention is to hind stragglers to the bost. His particular target is Mr Barre — who has always said he would not vote for the government in a confidence motion — and his supporters within the centrist UDF. But with a majority of only three in the new Assembly, Mr Berre will have difficulty in carrying out his word.

Nevertheless, strains have already begun to emerge among the neo-Geullist RPR nf Mr Chirac and the different groups within the UDF.

The UDF is unhappy that Mr Chirac put his own men in the key jobs of the economy and internal security while falling to stand up against Mr Mitterrand's veto of their leeders for the foreign affairs and defence portfolios.

The National Front of Mr Jean-Marie Le Pen will he a powerful pressure group In the New Assembly in thet its 35 seats give it the right to a vice-presidency of the assemhly and a foothold in the main commissions.

The Socialist party is cock-a-boop thet it did so well — Mr Pierre Mauroy, the former Prime Minister even warning it at the weekend against "euphoria in defeat." But it has several difficulties to contend with. It needs to enlarge greatly its electoral base from the current 32 per cent if it is to have a chance nf being part of a majority coalition.

It needs to find partners amoog other groups in the Assembiv. It will have to curb the ambitions of its Presidential hopefuls — Mr Michel Rocard, Mr Laurent Fabius and possihly *Mr Lionel Jospin* — whose rivalries could further split the party.

At the moment, the chief factor fur unity is the dominance over the party nf President Mitterrand and the dependence on him to manoeuvre the Socialists into the best position for the next election — be it Presidential or legislative.

Mr Mitterrand himself is now the most plaueible candidate fnr the Socialists — touching new heights in the opinion polls. But in two years he will be over 70 and thus rather old tn seek a further seven-year term. Hence the helief that he is thinking of cutting short his present mandate and of standing again — but for a reduced presidency nf five years.

An extra seat at the summit

Economic summits are supposed to he a serious business.

But the preparation of the next one, to be attended by the leaders of the major industrial democraciee in Tokyn ln May, has been side-tracked hy an issue not central to the etate of *the world'a economy*.

It is whether or not Rund Lubbers, the Dutch prime minister, will he able to attend as president of the EEC's council of ministers—a joh that rotates around the member countries every six months.

The hot news from Tokyo is that it is virtually certain that he will be at the table wearing *his official* EEC hat—but that is only after protracted international debate and much agonising by the Japanese.

The Japanese position has been that Europe is over-represented already with five places at the summit (the leadars of Britain, France, West Germany, and Italy, plus the president of the EEC Commission). The three other seats are filled by Japan, the United States, and Canada. The bigger the summit gets, the more unwieldy it becomes, so the Japanese argument runs.

The European counter-argument is that precedent does matter, and that the Versailles summit in 1982 established that an EEC Commission president and the president of the EEC *council of ministers could* both attend. Then the two office-holders were Gaston Thorn and Wilfried Martens of Belgium, respectively.

A form of consensus which the Japanese, as pastmasters of this sort of thing, can be proud of, seems to have emerged.

It is that Luhbers and Jacques Delors, the EEC Commission *president should* be present in Tokyo as "two men with ona voice."

Exactly which of them says what, and to whom, and when, (or, indeed, what will happen if they should disagree) are matters which the Japanese are finding hard to understand.

But at least the hosts know now that they have to lay nine places, not eight, at the banquet tahle.

Men and Matters

Markets watcher

From the rural viewpoint of his 180-acre sheep farm in Devon, Charles Goodhart, economist and banker, may share some fellow-feelings with the fahled gamekeeper turned poacher.

After eight years as chief economic adviser at the Bank of England, and 16 years' total service at the hank, he left last year to become the Norman Sosnow professor of banking and finance at the London School of Economics.

Now he is about to step into the world of private hanking, gilts trading, and primary market-making as a non-executive director of Gerrard and National.

Goodhart, aged 49, is clearly relishing the opportunities that will be open to him as an academic specialising in the subject nf money. From the advantageous listening post of Gerrard's Lombard Street offices he will be ahle to keep his ear fine-tuned to the London market.

As well as advising Gerrard he wants to set up an academic research group. The City is entering the most exciting year in lts recent history with the *forthcoming deregulation*—the Blg Bang. Goodhart wants to make a close study of regulatory controls and snnervision of markets during the run-up to the hang, and afterwards.

At the Bank of England he enjoyed a reputation as a man of action. Back from a skiing trlp with some cracked ribs to remember lt by he nevertheless played football for the bank's economics division. "I partially filled some hot water bottles and strapped them around me as protection" he explains.

"For realty bad tanguage—walt until McEnroe hears abont the new tax on overseas sportsmen"

Will he, I wonder, he able to devise equally effective armour for those taking part in the Big Bang?

Prime time

To the chegrin of about 150 hopeful professional journelists and writers a Cambridge undergraduate has walked off with a £1,250 Gtaxo fellowship.

The fellowships sre swarded to encoursge trevel for science writing.

Usuelly recipients work for newspapers, magazines, or hroadcasting. Oliver Morton, however, is 21, and an undergraduate at Corpus Cbristi.

He earned his fellowship by outstanding work done during a vacation scholsrship with the Economist last summer, when he turned in a series of pieces spanning biology, ocean science, snd astronomy.

Morton, s Welshman whn has been living in Brusseis, has no family background in science but shows a well-developed curiosity tempered with humour —a mix too often absent from present-dey science writing.

He began one story, "Scientists have been worried about the *sun for some time . . .*" He went on to discuss "wimps"—weekly interacting massive particles, which might help explain the sun's behaviour.

A tip to other aspiring journalists—start voung. Morton when only 16 and a schoolhoy was writing articles on pop music and jazz for a Brussels magazine.

Screen play

Gary Dsrtnall, the man behind the attempted *£110m* management buyout of Thorn EMI's Screen Entertainment division which collapsed over the weekend, may hsve lost his nine-month campsign hut he is unlikely to emerge from the experience any the poorer.

Alan Bond, who is taking over the division, which includes cinemas, Elstree film studios, a film library and distribution, wants Dertnall to remain as chief executive and Bond is prepared to make it well worth Dartnall's while.

Dartnall has been offered a *$370,000-a-year* salary as chief executive and another $500,000 if he stays for at least a year. Then there is a performance bonus and the possibility of buying a stake in the venture.

Dartnall, who began work at Elstree studios in 1958 for Associated British Pathe, could find Bond's future plans for Screen Entertainment standing in the way of his promised bonus.

If the cynics are right and Bond Corporation hegins selling off Elstree studios and ABC cinemas for property development, Dartnsll would certainly think again about working for his new master.

Observer

FOREIGN AFFAIRS

Questions for Mr Gorbachev

By Ian Davidson

Ronald Reagan (left), Sir Geoffrey Howe and Mikhail Gorbachev

AS PART of a plan for the elimination of US and Soviet *Euro-missiles*, Mr Mikhail Gorbachev proposed the freezing of the British and French strategic nuclear arsenals. We all knew that Mrs Thatcher would naver give his proposal the time of day, and she has just written to *tell him* what he can do with it. Since Mr Gorbachev is no fool, be must have known in advance what her answer would be. Whicb makes me wonder why he botbered to put it forward in the first place; it even makes me wonder whether there is substance in any of the arms-control *rhetoric* being batted back and forth between Moscow and Washington.

In the case of the proposed Euro-missile pockage, tbe Soviet prnposal went further than a simple freeze on the British and French systems: it called for a ban on any mod*ernisation* of these forces, and in *particular* for a ban on the transfer of weopons from the US to any third countries. Such a ban would prevent Britain from acquiring the American Trident II submarine-launched missile system, and would spell the beginning nf the end for Britain's independent deterrent wben Polaris reoches the end of its useful life in the early 1990s.

Mrs Thatcher's Government has long acknowledged that it might be required to make some kind of contribution to a *major nuclear arms control* agreement between the US and the Soviet Union, but *without specifying in any way what that* contribution might be. The parrot-phrase whicb has repeotedly been trotted out is: "We have never said never". in a recent speech Sir Geoffrey Howe, the Foreign Secretary, paired this donble-negative with a formula which sounded slightly more enthusiastic: "We do wish to contribute to arms control once onr minimum conditions are met."

The British pre-conditions are two-fold: very substantial cuts in the nnclear arsenals nf the superpowers, and guarantees against any increase in the anti-missile defences of the *Soviet Union. The French have* made similar stipulations, even if they have also laid down additional *pre-conditions, such* as a ban on cbemical weapons and an agreement on balanced conventional forces in Europe.

The problem with the Gorbachev proposal is not that it would require Britain and France to make an unreasonably lorge "contribution" to nuclear arms control, though that is certainly an nbjection: in Britain's case it would probably amount to the abandonment nf any nuclear forces; but that it professes to ignorc the irreducible logic of the British and French arms control posture. In other words, ln substantive terms it simply does not look serious.

Tbe irreducible logic is very simple. The British Government claims that its Polaris force is a minimum nuclear deterrent, because four boots is the smallest number required to ensure that one is on sta*tion* at all times. But the credibility of this deterrent *depends* on the *ability of the* warheads to *reach their targets* in Moscow; and that depends in *turn* on strict and predictable limits to Soviet anti-missile defensive system.

Under the 1972 Anti-Ballistic Missile (ABM) treaty, the two superpowers are each allowed one site *of 100* anti-ballistic missiles. The Americans scrapped their system at *Grand Forks, Dakota*, because they thought it would not work; the Russians, who kept theirs round Moscow, presumably thought that it was worth keeping. It may not be all that effective; but then it does not need to be all that effective to pose a potential threat to the warbeads of 16 Polaris missiles. The threat to a small deterrent could become much more serious if American Star Wars research and its Soviet counterpart led the two superpowers to break out of the constraints of the ABM treaty, and start to deploy much more capable defensive systems.

It follows, therefore, as night follows day, that neither France nor *this* British Government will make any international commitment on the future size or configuration of their nuclear deterrents, until they secure guarantees that the superpowers will make no increase *in* their anti-missile d*efences. Naturally*, Britain's specific concern is with Soviet defences; but the method of *securing this concern*, as Sir Geoffrey made clear in his recent speech, would be clarification and a tightening up of the ABM treaty. The consequence of such a tightening up would, in effect, be a ban on any deployment of President Reagan's Star Wars.

In public, President Reagan does not accept the case for such constraints on Star Wars; it is possible that he will never accept any constraints, whatever the inducement of a major arms control deal with the Soviet Union. What is clear, is that a curb on Star Wars would be a major political concession on his part, and the *quid pro quo* would have to be correspondingly spectacular.

It would have to be spectacular from the point of view of *American* security interests, ond there is only one item on the lengthy agenda of arms control negotiations which *matches* up *to that requirement*: a major reduction in the long-range strategic nuclear missiles nf the super-powers.

A Euro-missile deal would, no doubt, be welcome in Washing*ton*, as would a *chemical* weapons ban, an agreement on conventional forces in Europe, or a package of confidence-building measures. But none nf these would carry the weight to shift President Reagan from his commitment to Star Wars. If anything can do that, it can only be a big reduction in strategic nuclear weapons.

Now it may be worth pointing out that the two British conditions operate at two quite different levels of reality. A ban on anti-missile defences is a logically absolute military requirement; a big reduction in the arsenals of the superpowers is a hazier politico-atmospheric requirement.

A ban on defences could make the effective difference between a small British deterrent or none; whereas even a 50 per cent reduction in superpower strategic weapons would still leave the Russians with far more missile warheads than they would krow what to do with. The significance of this criterion is, first, that it points towards an objectively equitable *trade between Moscow and* Washington and, second, that a deep reduction would imply an improvement in East-West relations, and by inference an easing of the Soviet threat.

So what is Mikhail Gorbachev playing at? For much nf last year, it looked as if be was seriously aiming both at an improvement ln US-Soviet relotions, and at a major arms control deal, specifically one whicb would put the clamps on Star Wars. For domestic economic reasons, he needed to *contain defence* spending now, to secure freer trade with the West, and to avoid a ruioous arms race in space in future. Even if there was a Janus-like ambiguity about his posture, at least it was *consistent with such a policy*. But there is, as yet, no clear evidence from Geneva that his negotiators are making any very urgent efforts to secure the kind of strategic arms deal which might eventually deliver a trade on Star Wars.

By contrast, the rhetorical traffic is increasingly nverloaded with secondary issues, like the flirtation over the date of this year's summit. Mr Gorbachev makes much of his nuclear-test moratorium, and of his proposal for a joint ban; and he also claims, in general, to accept the need for more effective verification of arms control, an issue dear to the Pentagon hawks. *But* when President Reagan proposes on-site calibration for the *verification* of nuclear testing, he is turned down flat by the Russians: all they are ostensibly interested in is a total ban, and they claim that verification poses no problems.

What they conveniently forget is that the US has *still* not ratified the 1974 Threshold Test Ban Treaty, which limits tests to 150 *kilotons*, because it does not trust the Soviet Union or the effectiveness of existing verification methods. A very recent report suggests that the US has in fact succeeded in monitoring a Soviet test of less than one kiloton from a station in Norway, but let that pass. If the *Russians* really wanted a total test ban agreement (which may be doubted), as a first step they would at least try to make sure that the US could no longer refuse to ratify the TTBT.

In sbort, while Mr Gorbachev is making great propaganda play with his arms control proposals, witness his plan for total disarmament by the year 2000, it is becoming increasingly difficult to beleve that any of it is seriously intended for negotiation.

At least *two* hypotheses arc possible. The first is that tbe specifics of orms control are, for Mr Gorbachev, secondary tc the requirements of atmosphere, image and propaganda. He may believe that the kind of arms deal he needs cannot be negotiated with the Reagan administration; but that a reduction ir international tension and an improvement in the Soviet image can be achieved, in the short run, without it.

The second is that the multiplication of propaganda initiatives conceals a failure to persuade the old guard and the military lobby to go along with *any radical* arms control; or second thoughts abont the odvisability of curbing anti-missile defences. If there is a large gap between the radicalism of Gorbachev in arms control and the conservatism of the military lobby, his future may be even more heavily dependent on his success in delivering economic reform at home; which could prove at least as difficult as doing a deal with the Americans.

Lombard

World inflation: a new phase

By Samuel Brittan

Are you economically literata if yon think that commodity prices provide the clue to the take-off in world inflation in the 1970s and the remarkable return towards price stability in recent years? And can you think this while still being enough of a Friedmanite to consider inflation a monetary phenomenon?

I am encouraged to answer "Yes" to both these questions by a lecture given to the Centre for Economic Policy Research—London's economic Chatham House—by Professor Michael Bruno, who as head of the world International Econometric Society, is unlikely to be guilty of simple ignorance. Moreover, unlike many econometricions. Bruno argues for his views in excellent English and does not just report: "My model says. . . ."

According to Bruno, the 1973 explosion in world commodity and oil prices triggered off the first inflationary takeoff; and the second nil price explosion associated with *the Shah's* downfall triggered off the second inflationary takeoff in 1979-80. Tbe collapse in both oil and commodity prices has been the proximate cause of the recent collapse of inflation rates tn an average of 2 to 3 per cent in the main industrial countries.

Monetary policy does play a role, but through its influence on the exchange rate. In lts turn *exchange rate behaviour determinds* how countries fare on inflation in relation to the average of industrial countries.

Germany was able to contract out of most of the inflation of the 1970s and early 1980s by means of a strong D-Mark. The US had an exceptionally rapid reduction in inflation in 1981-83 because of the rise of the dollar.

Bruno would, I think, accept that this cannot be the whole story. Why do commodity prices soar at some times and collapse at nthers? Their behaviour *reflects in amplified form* the thrust of monetary—and perhaps fiscal—policy in the industrial world.

They are the earliest evidence of whether OECD financial policies in the aggregate are overexpansionary or contractionary.

Money comes in to the follow-up stage as well, and so does—legitimately—politics. Because commodity prices are mnch more responsive in both directions to market forces than wages or fixed product prices, their movement can give an impetus to inflation or to disinflation.

But inflation cannot stay high without "accommodating" monetary policies. In their absence, commodity prices will eventually turn round; and even if wages and product prices rise initially, because workers try to *maintain living standards*, this rise cannot continue under a tight money regime.

The cost of "squeezing inflation out" after a commodity price explosion, or of maintaining the impetus to stable prices after a commodity collapse vories from country to country.

Bruno suggests that there is *still* a *short term Phillips curve* showing the unemployment costs of reducing inflation by a given amount. His estimates give the US a better tradeoff than the EEC, and Britain a worse tradeoff than the EEC average.

But there is something quite immediate fnr the world's main finance ministers to tackle in concert. For the present very low level of inflation in the major countries will prove a *once-for-all blip* unless *it is* followed through by reasonably tight monetary policies by the *aggregate* of key OECD countries.

This is harder now that money has shown itself both more difficnlt to measure and less stable in its velocity than Friedman supposed. An individual country can use its exchange rate as a substitute measure of its monetary stance. But this measure has no meaning for the aggregate of key OECD countries. For that purpose, they will have to look at the movement of total spending power best measured—I am *sorry*, but *there it is—by* Nominal GDP.

It will therefore be a tragedy if in the coming *intensive series* of meetings, finance ministers (and heads of government so far as they understand) confine themselves to the new fashion for exchange rate management.

More difficult, more subtle, but more important, is the need for concerted and coherent action on their domestic demand management policies.

Letters to the Editor

US defence contracts

From the Vice-President European Operations Resource Management International

Sir,—Industrial co-operation among high-technology companies ls vital to western economic and political security, provided such relationships are built on *mutual* strength and confidence. The recent agreement with the USA on the SDI *programme*, and the *profound* significance of such political initiatives by the US Congress as the Nunn and Quayle amendments, present opportunities that should be the *focus* of boardroom directives througbout the UK aerospace industry. Yet, already, the voices of the defeatists can be heard saying that the target of $1.5bn worth of SDI business over 5 years is unachievable.

Many UK industrialists are neither aware of, nor, wben told, do they believe, the complexities of the US defence market and the need for a continuous, intensive effort tn be successful. They thus remain uninvolved and largely insulated from procurement decisions, preferring to respond only when opportunities are firm, by which time it is usually too late with programme decisions already influenced by the US competition. Why should their approach to the SDI programme be any different?

Past policy disagreements and economic difficulties have created, in the minds of many, an uncertain climate for US industrial collaboration in defence and *high-technology* markets. Collective security concerns and economic realities, *however, on both sides of* the Atlantic, dictate that duplication and off-target R and D investment can no longer be tolerated. Government and industry need to recognise these imperatives, and work together to formulate polices and legislation to encourage industrial co-operation.

The *continued calls* by *senior* US defence officials and Congressmen for increased co-operation in R ond D, production and acquisition of alliance defence equipment should be answered positively by UK iodustry. Companies must begin to study DoD technology trends and investment patterns, to identify areas where a *re-alignment* of their own internal R and D with the perceived *trends can* achieve maximum benefit both for the alliance and themselves. Most companies are unaware bow crucial this process is to success in the US, let alone bow to achieve it. Knowing whicb laws, regulations and processes, written and unwritten, govern the creation of the DoD budget and its disbursement; starting early and focusing the effort in aggressive, well-planned marketing strategies does schieva success. Blaming US prejudices and other perceived hurdles does not excuse the uninformed marketing that characterises much nf UK *industry's efforts* in the US.

The US DoD budget request fnr *1987* includes $4.8bn to maintain the momentum of technologies encompassed within the *SDI programme. The UK* has been invited to compete for a significant share of the funding. *Dynamic, objective and committed* marketing by UK companies knowledgeable in the procurement processes will ensure success, silence the sceptics and invigorate major sections of the UK aerospace industry in so doing.

Borry J. Aldridge,
49, Plainwood Close,
Summersdale,
Chichester, W Sussex.

The uses of power

From Mr M. Bruce

Sir,—On the basis that the best form of *defence* is attack, the beleagured nuclear industry —this time in the shape of the Central Electricity Generating Board—is calling for the Sizewell B inquiry to provide a green light not just for one new power station in Suffolk, but for a further four to follow elsewhere (March 14). The argument is apparently no longer that we simply need to replace older power stations; *demand* fnr electricity *is rising*, and according to Lord Marsball, CEGB chairman, to stop the lights from going out we need 6,000 Mw worth of new power stations.

Leaving aside what such demand growth says about the effectiveness of the Government's energy efficiency yaar, it does behove us to take stock of all our options, before we rush heodlong into committing our*selves to many* billions of pounds of expenditure in the immediate future.

I believe an excerpt from a TV advertisement prepared by PEPCO, the CEGB equivalent in Washington, DC, to be worth quoting in full: "New homes are popping up everywhere, new businesses too. One thing they *all* need *is electricity. This* growing demand means sooner or later PEPCO will probahly have to build new power plants. But the longer we can wait the more money we will all save. So look for our energy use management programme and keep on conserving—especially during peak hours."

Ever since its formation, the House of Commons energy committee bas been seeking to impress upon us the validity of making such comparisons between investment and new supply sources and energy efficiency measures. It did so again in its latest report.

I have sought to incorporate *such a duty* into the statutory requirements for the new gas company. It really is high time we ceased making the Povlovian response of assuming that anticipated increased energy demand automotically needs to be met by increased energy supply, ond instead begin drawing upon some of the lessons which our North American competitors can usefully teach us.

Malcolm Bruce,
House of Commons, SW1.

Energy-intensive manufacturing

From the Director General, Chemical Industries Association

Sir,—Lower prices for oil pro*ducts* and *gas* are welcomed by the cbemical industry, as a boost to bnsiness activity, profitability and jobs. But our reaction as an energy-intensive industry which bas to compete on the world market, falls well short of euphoria.

The prime need for energy-intensive manufacturers is that *UK energy prices should fall* as much as, or more than, those in major competitor countries, especially the rest of the EEC.

Althougb prices for heavy *fuel* oil have been substantially reduced here, prices for the competing interruptible supplies of gas have not been lowered to the same extent. Contract prices for firm gas supplies remain unchanged. We are recelving a great deal of evidence from our members that gas prices for industrial users are now not competitive *with those in other* EEC countries. The normal seasonal falls in demand for oil could soon result in further large price reductions for fuel oil and gas in continental EEC countries. Unless Britisb Gas prices follow the oil changes more competitively, wa shall find ourselves at an increasing dis*advantage in* international competition.

We view witb concern the prospects of electricity price increases to British industry above the rate of inflation in the 1986/87 tariff year, at a time when electricity generation elsewhere will be benefiting from much cheaper coal and oil and in some cases a large nuclear component. Again it remains to be seen whether the CEGB in this country is allowed access to coal and/or oil at internationally competitive prices and reflects this in its prices to the industrial consumer. If this does not happen then our electricity-intensive sectors will be at an even greater price disadvantage versus competitors overseas. In a world of cause and effect, for an energy-intensive sector *such as ours this will inevitably* result in investment being increasingly directed outside the UK, to Britain's *disadvantage* in terms of exports, balance of payments and jobs.

Martin Trowbridge,
93 Albert Embankment SE1

Beside the sea

From Mr D. Skey,

Sir,—Mr N. Taylor's letter (March 19) on the Channel *tunnel seems logically* occurate but ignores—as all calculations seem to have done — the ingredients of pleasure and choice. As most of the summer traffic is holiday traffic, the advantages of speed and all-weather operation of the tunnel are less *important* to a driver than the opportunity to relax at the end of one motorway jonrney and before starting the next. Many people prefer to travel by ferry rather than the quicker hovercraft. If the ferry operators are on the ball they *will enchance on-board facilities* and service so that those to whom speed is less lmportant will choose to travel with them.

This is of course speculation. Subjectively however I would prefer to eat aboard a ferry and look at the sea for an hour and a half than spend a couple of hours queing to spend 20 minntes in a tunnel. Ferry operators please note and take heart.

David Skey.
Constellation PR Services,
73-75 Mortimer Street, W1.

Premium cards

From the General Manager, Save and Prosper Group

Sir, — I read with interest the letter from Peter Elwood (March 18) regarding the Visa Premium card. Tn put the record straight I feel that you should note that in addition to the Barclays Premier card there are in fact two other Visa Premium cards in issne in the UK offering the range of services outlined in the excellent article by Margaret Hughes. Visa Premium cards are also available from the Bank of Scotland and Robert Fleming/Save & Prosper Group. I would take this opportunity of mentioning that cash withdrawals are available worldwide on the latter card free of charge and not subject to the 1½ per cent handling charge made by Barclays.

I. W. Lindsey,
1, Finsbury Avenue, EC2.

FINANCIAL TIMES

Monday March 24 1986

Terry Byland on Wall Street

ADR levy triggers alarm bells

THE PROPOSAL put forward in the British budget to impose a 5 per cent levy on UK shares registered for conversion into American depositary receipts (ADRs) has upset both US and UK participants in the US markets for ADRs.

While New York was still somewhat confused last week as to the full implications of the proposal, the investment banks and brokerage houses which operate the ADR market were beginning to sound the alarm.

If enacted, the levy could eventually create a two-tier market in the UK stocks, with the ADRs trading in New York at a premium to the price in London. It would also impose e 5 per cent charge on new issues of UK stocks in ADR form in US markets. Either development threatens the ADR market in British stocks with slow strangulation, according to US bankers.

At a meeting of the international advisory committee of the New York Stock Exchange, summoned hastily after Mr Nigel Lawson, Britain'a Chancellor of the Exchequer, disclosed the proposal, "there was a good deal of concern," according to Mr Richard Debs, the committee chairman.

The National Association of Securities Dealers which, through its electronic over-the-counter trading system operates the biggest ADR market in the US, expects to register a formal protest. And at the American Stock Exchange, the oldest ADR trading forum, Mr Benjamin Krause, vicepresident of the securities division, said: "We believe it will be an inhibiting factor to the growing internationalisation of securities trading."

Some of the opinions voiced in private at the US investment banks and brokerage houses were considerably less restrained. The levy is seen as a protectionist measure aimed at returning to London the expanding New York business in some major UK stocks.

Prices for British ADRs in US markets have already moved towards the premium on underlying London quotations that the proposed levy requires – probably a 4 per cent premium after allowing for technical costs.

The size of the market is difficult to measure, because it has no formal structure and is split between six US depositary banks. Nasdaq traded $12.5bn in foreign securities last year, mostly in ADR form. This represented about 5 per cent of Nasdaq's total business, and included about $1.5bn of Glaxo ADRs, and $384m of Cadbury-Schweppes.

But most at hazard may be the fast-growing new issue market for British ADRs, fuelled over the past 2½ years by public offerings from Reuters, British Telecom, Cadbury-Schweppes, and Bowater, the last-named through the demerger of its US operations.

The success of these public offerings, and of other, smaller UK companies such as Rodime, the Glasgow-based disk-drive manufacturer, has pointed the way into the US equity markets for European companies seeking capital. If the proposed levy causes a contraction in the market for British ADRs, then UK companies will find it harder to raise equity in the US.

"In the wake of deregulation and internationalisation of world markets, several UK companies were actively considering registering stock in the US," said Mr Chris Kemball of Kleinwort Grieveson Securities in New York. "They are now reconsidering and will probably not go ahead."

It would be a bitter twist if the British Government, in imposing the ADR levy, overlooked the implications for its own privatisation programme. The success of the coordinated public offering of British Telecom stock in London and in the US whetted the appetites of the US markets for the initial public offering of British Gas and, presumably, British Airways at some future date.

Nor is there any easy alternative to ADR registration for UK companies wanting their stock to trade in US markets. Shares can be traded simply as foreign securities registered in the home country, but this poses a major disadvantage, over and above such obvious problems over dividend payments as probate, which caused the creation of ADRs in the first place.

Mr Kemball estimates that between 2 per cent and 4 per cent of US investment institutions are barred from investing in foreign registered stocks because of trustee, charitable or similar status.

The British proposal to change the rules on ADRs looks like an unhappy start on the road to the global securities market. New York will be paying close attention to the budget debate in the UK Parliament – and silently applauding the major UK companies which have already expressed disapproval of the Chancellor of the Exchequer's plans.

FRENCH PRIME MINISTER WILL TEST BACKING OF COALITION PARTNERS

Chirac to seek confidence vote

BY PAUL BETTS IN PARIS

MR Jacques Chirac, the new French Prime Minister, will seek a vote of confidence for his right-wing Government from the National Assembly when it gathers again after Easter. In so doing, the new Prime Minister will immediately put to the test his slender majority in the Assembly.

Under the French Constitution, Mr Chirac was not forced to win a vote of confidence from Parliament once his Government had been appointed by the President. But in view of his fragile majority of three seats in the new Assembly, Mr Chirac has decided to ensure a public demonstration of support for his administration from his right-wing coalition partners.

Between them the two traditional right-wing parties – the neo-Gaullist RPR led by Mr Chirac and the centrist UDF coalition – failed to win an absolute majority in last Sunday's legislative elections, gaining a total of 277 seats. But with the addition of the 14 seats of diverse right-wing independent candidates, Mr Chirac can count on e total of 291 votes, giving him an absolute majority of three in an Assembly of 577 seats.

Mr Chirac and the other members of the traditional French parliamentary right have ruled out any alliance with the extreme right National Front, which will be making its entry in the National Assembly for the first time on April 2. The Front gained 35 seats after e strong showing in last Sunday's elections.

Before the elections, Mr Chirac had said thet a new government would not need to seek a confidence vote if it had the support of a solid majority, which he failed to win last Sunday. By seeking such a vote, Mr Chirac will now test the attitudes of various partners in the right-wing coalition who are either critics of power sharing between a right-wing Government and a Socialist President or are not particularly sympathetic to the new Prime Minister.

Mr Chirac's decision to seek a confidence vote was announced after the first full meeting of the Cabinet at the Elysée Palace on Saturday. A historic occasion, it was also a cool affair, with President François Mitterrand sitting impassively as the only Socialist among the 38 new right-wing ministers. There was no traditional group photograph of the President standing on the steps on the Elysée with the members of the new Government.

But the first Cabinet meeting also reaffirmed the current efforts by both right and left to try to make the novel French experiment in power sharing work. After the meeting, Mr Maurice Ulrich, the new Prime Minister's spokesman, said that Mr Chirac had emphasised the Government's aim to be "tolerant" and "open."

Mr Ulrich said that the Prime Minister had emphasised thet employment and security were the new Government's priorities. Mr Chirac suggested et the weekend that he was preparing new measures to reinforce security after the terrorist bomb on the Champs Elysées last Thursday, which killed two people and injured 28 others. In Paris, this weekend, security was quite visibly stepped up following the latest terrorist wave.

Although there was speculation last week of a possible devaluation of the French franc, sources close to Mr Edouard Balladur, the new Economy Minister, called the rumours "absurd."

Land Rover link with Daf set to raise sales in Europe

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT, IN LONDON

LAND ROVER-LEYLAND, BL's commercial vehicle division, will sign an imaginative deal this week for some heavy vans and light trucks to be distributed and serviced in continental European markets by Daf Trucks of the Netherlands.

Negotiations have been going on for some months and state-owned BL intended to sign an initial agreement with Daf despite the possibility – apparently now ended – that Land Rover-Leyland might be sold to General Motors of the US.

The arrangements between Land Rover-Leyland and Daf have great attraction for both companies. Daf will distribute through its dealer network in continental Europe heavy Sherpa 300 vans, produced by Land Rover in Coventry, and light Roadrunner trucks, made by Leyland in Lancashire. All will have Daf badges on them.

This should strengthen the Daf network and make it more viable because the Dutch company produces only heavy trucks, mainly above 15 tonnes gross weight.

At the same time it provides Leyland Trucks in particular with a opportunity for European sales which do not exist through its own, meagre dealer representation.

The deal excludes the UK, Daf's best European export market, and does not prevent the British company pressing ahead with any other arrangements to sell the vans and trucks through its own channels.

Daf's European dealer network covers most of the important markets, whereas Leyland so far has concentrated mainly on France, with limited success. Apart from being heavy truck market leader in the Netherlands, Daf is also strong in Belgium where it has a factory, and in France.

During the negotiations, BL estimated that the arrangements could add about 1,000 a year to sales of its Roadrunner light truck, launched in September 1984 to compete in the six-10 tonnes sector. Leyland hoped for 3,000 Roadrunner registrations a year in the UK and 200 to 300 in continental Europe but has so far not reached that target.

Sales of the heavy Sherpa vans in Europe via the Daf network could well exceed 1,000 a year, a useful addition to the annual 18,000 vans of all types produced by the Land Rover company.

Heads of agreement are due to be signed by Daf and Leyland this week for completion later this year, probably in time for the Paris motor show in October.

Daf and Leyland Trucks are of comparative size in terms of truck output, each producing about 14,000 vehicles a year.

Both have been searching for joint ventures to enable them to share costs with other companies so that they can compete more effectively with the big European companies, Daimler-Benz, the Mercedes group, which last year produced over 35,000 trucks of six tonnes and above, and Iveco, the Fiat subsidiary, which had a heavy truck output of about 44,000.

Rolls-Royce sale likely this year

BY LIONEL BARBER IN LONDON

ROLLS-ROYCE, the state-owned aircraft engine manufacturer, is preparing to return to the private sector with a target date between the autumn and next spring.

The Government has yet to give a firm date for privatisation. But Mr Geoffrey Pattie, the minister responsible for aerospace at the Department of Trade and Industry, is believed to be keen to push ahead, possibly before the end of this year.

One reason for a slightly earlier privatisation date than planned could be uncertainty surrounding the sale of British Airways to the public. Mr Nicholas Ridley has suggested that a summer sale might have to be delayed because of unresolved negotiations with the US Government over North Atlantic airline capacity.

Rolls-Royce played down weekend suggestions that a likely sale date could be as early as this autumn. "We have not been given a firm date, so that must be speculation," said a spokesman. The Department of Trade and Industry said yesterday that an autumn flotation was "not necessarily correct."

Rolls-Royce will reveal a substantial rise in 1985 pre-tax profits next month. In 1984, the company made £26m ($37m) before tax on £1.4bn sales, compared to pre-tax losses of £114m and £91m in the previous two years. It was rescued in 1971 by the Government after heavy losses on developing a single engine, the RB 211.

If the company is privatised before next spring, it would be on the basis of a profits track record of two years only. Analysts have also expressed some concern about the high level of research and development spending – some £250m a year – required for Rolls to compete against its arch rivals, Pratt & Whitney and General Electric of the US, and the volatility of the civil aviation market.

Rolls, advised by N. M. Rothschild merchant bank and Hoare Govett, stockbrokers, has asked a market research team to find out how British financial institutions and the press view its past performance and future prospects.

Mr Pattie told the House of Commons last November that the Government intended to privatise Rolls before the next general election, "subject to market conditions." He suggested that the Government would have to write off more than £370m of accumulated debt, with a further capital injection required to strengthen the company's balance sheet.

The Government is being advised by Samuel Montagu merchant bank and James Capel, stockbrokers.

GATX accepts Leucadia cash bid

BY WILLIAM HALL IN NEW YORK

GATX Corporation, the Chicago-based conglomerate, has agreed to accept the $544m cash takeover bid from Leucadia National, one of several Wall Street corporate raiders that have been pursuing the company, whose interests range from railcar leasing, to shipping, bulk storage and special steel manufacturing.

GATX said that its board had accepted Leucadia'a $40 a share cash merger proposal at a board meeting on Saturday. The deal is conditional on final negotiation and execution of a definitive merger agreement. Merrill Lynch Capital Markets has provided a letter saying that it is "highly confident" that it can raise the necessary financing for Leucadia's bid.

GATX's decision to accept the Leucadia offer will come as a surprise to some investors who had been bidding the GATX share price up on the assumption that GATX would accept e $42 a share proposal made by Gabelli and Company, a New York portfolio manager, which started e leveraged buy-out fund last summer. GATX shares rose $⅝ to $41¼ on Friday.

It was not clear yesterday whether the bidding battle for GATX was over following the directors' decision to accept the Leucadia offer. Aside from the Gabelli proposal, Adler & Shaykin, a New York investment banking firm which specialises in leveraged buy-outs, had earlier offered $40 a share in cash for GATX.

Mr James J. Glasser, GATX's 51-year-old chief executive, said yesterday: "Having considered all the proposals submitted, the board determined that Leucadia's proposal was the best offer made and its acceptance was in the best interests of GATX shareholders." GATX received an opinion from Morgan Stanley that the per share consideration is fair to GATX shareholders from a financial point of view.

UK to allow more onshore oil drilling

By Dominic Lawson in London

THE BRITISH Government is expected tomorrow to open up about 10,000 square kilometres of UK soil to the drilling rigs of the international oil industry.

This will be awarded in the form of about 100 new exploration permits in the conclusion of Britain's first onshore petroleum licensing round.

Since September, when the Department of Energy was overwhelmed by 193 applications from 117 companies, the oil price has halved.

However, the relatively low costs of onshore drilling continue to attract companies now shying away from the deep waters of the North Sea. According to Mr Chris Greentree, chief executive of Lasmo, an applicant in the onshore oil round and one of the biggest UK explorers, "At current oil prices, the place to be is onshore."

The most satisfied companies on Tuesday are likely to be those awarded acreage in the Cheshire basin. This is an onshore extension of the geological feature containing British Gas's big Morecambe Bay field, off England's north-west coast.

Some areas offered by the Department of Energy could outrage the environmentalists. The Energy Department, which has been in talks with the Department of Environment over the licensing round, has told the oil companies that it is up to them to get all the necessary local planning permissions needed to start drilling.

In particular, the land under Ashdown Forest in the south-east was on offer in the licensing round, and is believed to cover a large potential oil or gas-bearing structure. But after Shell's tribulations over an attempt to exploit a New Forest exploration permit, oil companies will be wary of applying for areas of outstanding natural beauty.

Although the whole of the UK's land mass was on offer in the round, many areas are seen of no geological interest to the oil industry. One such area is that of London, although in 1947 D'Arcy Exploration, now British Petroleum, found oil and gas shows in Willesden, Greater London.

Until last week's budget the UK's inland waters, such as the Minches and the Firth of Forth, were designated as onshore, and were therefore included in the onshore round. But the budget redefined such areas as offshore, which means that the drilling costs can be offset against companies' offshore petroleum revenue tax bill.

The Minches, the water lying between the Scottish mainland and the Hebridean Islands, will therefore be a highly prized award this week because the area is already known to contain large, potentially oil-bearing features.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	F	13	55	Dubrovnik	F	13	55	Malta	F	14	57	Rhodes	S	17	63
Algiers	S	16	61	Edinburgh	F	3	37	Manchester	C	7	45	Rio de J'o	C	25	77
Amsterdam	S	7	45	Faro	S	18	64	Manila	S	34	93	Rome	F	13	55
Athens	F	15	59	Florence	C	12	54	Melbourne	S	15	59	Salzburg	C	6	43
Bahrain	S	24	75	Frankfurt	C	8	46	Mexico City	F	18	64	San Francisco	F	9	48
Bangkok	S	34	93	Funchal	C	15	59	Miami	S	8	46	Seoul	C	10	50
Barcelona	F	16	61	Geneva	S	5	41	Milan	F	15	59	Singapore	F	30	86
Beirut	S	21	70	Gibraltar	S	17	63	Montreal	F	0	32	Stockholm	Sn	0	32
Belfast	Sl	4	39	Glasgow	S	3	37	Moscow	S	8	46	Strasbourg	S	11	52
Belgrade	F	6	43	Guernsey	F	8	46	Munich	S	5	41	Sydney	S	26	79
Berlin	R	5	41	Helsinki	S	3	37	Nairobi	F	24	75	Taipei	C	17	63
Biarritz	C	14	57	H. Kong	C	15	59	Naples	F	15	59	Tangier	S	20	68
Bombay	—	—	—	Innsbruck	F	6	43	Nassau	S	—	—	Tel Aviv	C	20	68
Bordeaux	S	12	54	Inverness	Sl	4	39	New Delhi	S	23	73	Tenerife	S	22	72
Brussels	F	9	48	Islamabad	S	21	70	New York	F	1	34	Tokyo	R	1	34
Budapest	S	7	45	Istanbul	F	9	48	Nice	C	12	54	Toronto	R	1	34
B. Aires	F	27	81	Jakarta	R	31	88	Nicosia	C	20	68	Tunis	F	16	61
Cairo	F	22	72	Jersey	C	9	48	Oporto	C	14	57	Valencia	F	23	73
Cape Town	[illegible]	16	61	Jo'burg	S	26	79	Oslo	F	5	41	Venice	C	8	46
Caracas	C	26	79	Lima	F	24	75	Paris	S	15	59	Vienna	C	8	46
Casablanca	F	18	64	Lisbon	S	16	61	Peking	F	11	52	Warsaw	F	8	46
Chicago	S	0	32	London	F	15	59	Prague	Sl	3	37	Washington	S	−1	30
Cologne	C	7	45	Los Angeles	S	16	60	Reykjavik	C	−1	30	Zurich	S	5	41
Copenhagen	C	5	41	Luxembourg	R	9	48								
Corfu	F	14	57	Madrid	S	19	66								
Dallas	F	9	48	Majorca	S	15	59								
Dublin	S	4	39	Malaga	S	18	64								

Readings at mid-day yesterday:
C-Cloudy D-Drizzle F-Fair Fg-Fog H-Hail R-Rain S-Sun Sl-Sleet Sn-Snow T-Thunder

Sindona death inquiry begins

Continued from Page 1

was already in his possession, putting it into his coffee which, the prison guards have said, he drank that day out of their sight in the bathroom of his cell.

According to this theory, he told the guards: "They've poisoned me" in order to gain the posthumous satisfaction of defying the state by taking his own life, and bequeathing it a riddle.

The other theory is that he was poisoned on the instructions of members of the sinister organisation to which he belonged who wanted to ensure that he did not reveal their secrets. If so, they appear to have overcome immense difficulties to accomplish the poisoning.

Opec reaches 'consensus'

Continued from Page 1

ments, were foremost in pressing for a ceiling of 14m b/d with an adjustment of market share at the expense of the conservative Arab producers of the Gulf.

Venezuela is understood to have offered a cut in its share.

Meanwhile, a new development at the meeting has been the willingness of Gulf producers to discuss a production-sharing formula taking into account population, national income and hydrocarbon reserves. For example, the 27 per cent of maximum output allowed to Saudi Arabia, with its indiginous population, amounts to probably up to 7m b/d, in contrast to the 8 per cent for Indonesia.

THE LEX COLUMN

How to drain the Atlantic

The case for reducing (if not actually abolishing) stamp duty on share dealing in London was no mere piece of free-market theorising. Anyone who wanted to see what the London equity market was losing by labouring under this exceptional layer of dealing costs had only to look at the growth of the New York market in UK equities. Trading ICI or Jaguar in the packaged form of an ADR – a depositary receipt – the US investor could not merely deal UK shares in larger and more acceptable denomination, but avoid the tax that would have been levied on trading the same underlying shares in London.

The competitive position of London, and the efficiency of taxgathering, could alike be improved either by reducing stamp duty to the point where it was less than the cost of avoidance, or by closing the bolt-hole – to New York – which made avoidance possible. In fact, the reduction of duty on all transactions has taken priority for domestic reasons. Cutting the stamp is generally accepted to be a way of raising the institutions' propensity to trade their holdings, a necessity if the extra capital in the new market is to be turned over fast enough.

Yet it would have been difficult for the Chancellor to abolish such a lucrative duty entirely, without at least appearing to raise some offsetting revenue from the politically unpopular City. What could seem more natural than the Chancellor's actual solution: halving the duty on its existing transactions base while extending it to several adjacent categories?

With two sensible exceptions – applying the reduced stamp to allotment letters, and increasing the cost of takeovers – the consequences of this plus-and-minus arithmetic are none the less bizarre and undesirable. It is hard to see what purpose is served by driving UK corporate treasurers offshore into the Eurosterling market, the sole effect of making it more expensive to deal in onshore loan stock. It is even harder to see what end, other than a myopic protectionism, is achieved by the punitive 5 per cent duty on ADRs.

As a revenue balancing item, the ADR levy is at best a sham. Its immediate effect has been to prevent the creation of new ADRs. The yield on this levy will be as near zero as makes no difference. Moreover, it has not taken long for the market to see that if there is to be no more supply, the existing stock of receipts can only dwindle, and the liquidity of the ADR market will be likely to drain away. By the end of last week, the process appeared to be telescoping itself, as holders tried to avoid being locked into a dead market.

That makes protectionism look like a paying policy. But it will spoil the US capital markets for those UK companies, including ICI and BT, which have cultivated an extensive US shareholder base on the assumption that ADRs would make the shares conveniently tradable, and hence hard currency in US acquisitions. In the case of BT, the availability of an ADR facility formed part of the Government's prospectus. ADR holders who have seen the liquidity of their market removed by Treasury fiat may not feel well disposed to the forthcoming privatisation issues.

The Chancellor should think again.

Pension surpluses

For a group of individuals that may be out of work some time before retirement age, the UK Government has been curiously cavalier on the subject of pensions. Long before the abolition of Serps was rolled out and then recalled because of mechanical faults, the policy on surpluses in company pension schemes was a wreck. While companies such as Commercial Union were happily taking surpluses out of their US subsidiaries' pension schemes, nobody quite knew what the Inland Revenue was about. Such companies as James Neill or Gomme Holdings proposed refunds and found themselves propelled, blinking, into the forefront of a discussion that Treasury statements made ever more confusing.

Last week, the Chancellor devoted a good portion of his budget speech to clearing the fog. Companies will be permitted to receive refunds out of overfunded pension plans. Indeed, from 1987 trustees will be compelled to make a refund if other slimming cures – such as better benefits or a complete contributions holiday of 5 years – still leave actuarial fat to a depth greater than 5 per cent of liabilities.

The refund will be taxed, not at the company's marginal tax rate but at a rate of 40 per cent which admits of no offset. This is a sort of retribution for bamboozling the Revenue into providing relief on contributions, investment income and capital gains.

What interests the stock market is how this transfer of surplus cash to finance directors, employees and the Revenue will wash out. The stockbrokers Quilter Goodison believe that in the engineering sector reported profits could be up 3–4 per cent this year on contribution holidays alone. Their sums show that contributions vary enormously as a percentage of pre-tax profit (and employment costs); but many companies have laid off their workforce et a fraction of the actuarial assumption of final salary just as fast as their profitability has fallen. Many could double even after-tax profits with a refund.

What happens to the flow of funds into the market is anybody's guess. The Revenue believes it will be getting £120m in the first year of compulsory refunds, implying e loss of pension fund cash-flow of £300m. The market could easily survive the pinprick, especially as the £120m presumably includes a Revenue bite out of larger employees' wage packets. Anyway, companies will need to do something with their taxed windfall, and may return it to the market in acquisitions for cash.

In fact, the Revenue figures look nonsense.

In the last three years, any pension fund manager worth his salt should have gained a market return of more than 20 per cent a year. This year, with the stock market in overdrive and inflation falling to 3 per cent, the growth in a scheme's investment income could again be a double figure percentage higher than the earnings growth on which most of its liabilities are based. This is as much as 10 times the usual actuarial assumption. On such arithmetic, a three-year revaluation would reveal a compounded actuarial howler amounting to half the fund's assets. It is hard to see the Revenue accepting this as rainy-day money.

It is not yet clear what asumptions the Government actuary will impose on trustees. But it does appear that some company chairmen will be presented with a surplus that they cannot hope to reduce through lower contributions: their workforces have contracted too far. What they add to profit, and the market loses, does not sound like £300m.

SECTION II – COMPANIES AND MARKETS
FINANCIAL TIMES
Monday March 24 1986

INTERNATIONAL BONDS

Swap moves put spotlight on to sterling issues

STERLING and Australian dollar issues moved centre-stage last week as borrowers seized swap opportunities and investors' funds flooded the high-yielding sectors. The Eurosterling market, boosted by the 1 per cent base rate cut on Wednesday following the budget speech by Britain's Chancellor of the Exchequer, saw particularly lively activity, writes Clare Pearson in London.

The fortunate combination of the base rate cut with an unexpected change announced in the budget – the imposition of a ½ percentage point stamp duty on certain bulldogs and long-term domestic loan stocks – opened a window for innovation: the long-term Eurosterling bond.

This was not a radical idea for investors in continental Europe familiar with 30-year and 40-year dollar bonds and following the general lengthening of maturities which has accompanied the worldwide fall in interest rates. On the domestic front, the evident appetite of British investing institutions last week seemed to mark a breach in their traditional ins istence on restrictive covenants attached to long-term borrowings.

Of the two 17-year issues, that for Imperial Chemical Industries bore no covenants at all, and MEPC's bore only a restriction on future gearing. This is less onerous than alternatives open to the property company in the domestic market where it has several first-mortgage debentures outstanding.

The success of these issues led bankers to muse on the possible decline of the bulldog market, though supranational issues are exempt from the new duty. They also found it ironic thet the Government, after years of vain attempts to stimulate a domestic UK corporate debt market, might have sparked it instead in the Euromarkets.

The deals were, however, priced at attractive margins over gilts in an environment in which stocks were roaring ahead and short positions had to be covered in a hurry.

UK fixed interest investment managers said of their hasty forage into the Eurobond market that they could adapt, US-syle, to taking swift decisions on the basis of names and ratings, but would continue to be highly selective. This does not look like a free-for-all for every UK corporate to launch debt into the international capital markets.

Other borrowers also took advantage of investors' apparent confidence that interest rates were set to fall further and they launched conventionally-dated Eurosterling bonds with coupons of 10 per ceot and below.

EUROMARKET TURNOVER
Turnover ($m)

Primary Market	Straights	Conv	FRN	Other
US$	4,755.4	28.7	1,536.7	308.6
Prev	2,313.7	18.0	274.0	215.0
Other	2,062.3	0.3	743.3	155.5
Prev	1,112.6	–	–	89.5
Secondary Market				
US$	29,503.7	1,498.0	14,822.1	3,011.6
Prev	30,581.6	1,318.3	15,050.8	4,353.6
Other	14,630.1	194.1	2,192.9	3,383.7
Prev	11,035.7	179.6	1,874.2	3,306.1

	Cedel	Euroclear	Total
US$	16,458.0	38,493.8	54,951.6
Prev	16,814.7	37,338.3	54,153.0
Other	12,593.2	10,759.0	23,352.2
Prev	9,329.0	8,067.7	17,396.7

Week to March 20 1986 Source: AIBD

Tightest of the new deals was the 9¼ per cent 5-year issue for a subsidiary of Swiss Bank Corporation, but this was successfully placed with Swiss retail clients. Least tight was the issue for Investors in Industry, issued at a wide spread over comparable gilts on Wednesday, and traded at e premium to issue price thereafter.

The zero coupon structure brought new life to tha Australian dollar sector, neglected by borrowers of late. A spate of issues took advantage of swap opportunities, and yields on Australian securities still looked high to investors despite a recent sharp rally in the domestic market.

All four were trading within their fees at the end of the week. On Friday, CIBC Australia, a subsidiary of Canadian Imperial Bank of Commerce, issued a 10-year bond – double the life of other issues – priced at 30.575 per cent, and with the oovel feature of being payable in D-Marks. Bankers think the market for these instruments is not exhausted and more, probably 10-year, issues will surface next week.

The Euroyen new-issue market remained bealthy, despite some uncertainty over the Opec meeting, which prompted profit-taking in the secondary market.

Borrowers continued to be attracted by swap opportunities, and as they were generally high quality names, their paper was absorbed. In particular, Denmark brought some welcome sovereign-name paper, and this was trading at about two points above its issue price on Friday afternoon.

Although activity in the Eurodollar market was muted, especially as many Japanese investors were squaring inventories towards their fiscal year-end, some borrowers issued new bonds.

In the floating rate sector, Manufacturers Hanover re-opened the market for US bank names, but no others followed.

In the fixed rate sector, a trend towards more generous speads over US Treasury notes was clearly discernible. By contrast Unilever, which ventured to launch a seven-year issue at a margin of a mere 15 basis points above Treasuries after taking the fees into account, saw its bond end the week trading outside the fees.

Some more successful issues were directed at specific investors, such as Inco's 10-year 9¾ per cent bond, which was eminently attractive to banks seeking swaps, and BNP's seven-year deal, which with coupons rolled up for the first five years was designed to appeal particularly to Japanese tax-paying investors. Apart from these, the deal of the week was probably Victoria Finance's 8¾ per cent 10-year bond, said by the lead manager to be trading above issue price on Friday afternoon.

Aside from deals for Credit Foncier and Outokumpu Oy, the Ecu market, lack-lustre on profit-taking, fell from new issuers' attention. West Germany was also quiet, as were the Swiss. But this helped investors focus on an innovative new structure – adjustable long-term puttable securities (Alps), issued by Swedish Export Credit (Sek).

The new SFr 200m 25-year issue will pay interest in dollars at 7¼ per cent for the first 10 years and at five-yearly intervals thereafter at the annualised yield on five-year US Treasuries less 65 basis points.

Put options, exercisable on these interest payment dates, are linked to a fixed SFr/dollar exchange rate. If this is higher or equal to SFr 1.887, redemption is at par; if it is lower, redemption is for an amount equal to the original dollar equivalent of an investor's holding. The borrower's call option, exercisable at the same time, is at par.

Lead manager Citicorp said the deal was designed to lure increasingly sophisticated retail investor who, at least, will obtain coupons during the first period at levels about 2½ per cent above those likely on a conventional SFr deal for Sek.

McLean Industries loses $66.7m as fleet is expanded

BY WILLIAM HALL IN NEW YORK

MCLEAN Industries, parent of US Lines which controls one of the world's biggest containerised shipping fleets, lost $66.7m in 1985 and says its bankers have agreed to relax some of the conditions on the more than $1bn it owes.

McLean, headed by 73-year-old Mr Malcom McLean who was one of tha pioneers of container shipping, said its 1985 loss was due to a combination of lower industry shipping rates during the latter part of the year, primarily in the trans-Pacific market, and the costs associated with new vessels and markets. In 1984 the company earned $61.6m.

McLean recently spent $570m oo 12 of the biggest container ships in the world and has increased its capacity by about three times since mid-1984. The oew fleet is being used on e round-the-world service and has been brought into service at a time when several other shipping lines have been increasing capacity. This factor, combined with sluggish growth in world trade, has precipitated substantial rate cutting.

McLean is one of the more highly leveraged shipping companies in the world and is gambling that it will be able to capture an increasingly large share of the market. The bulk of the shares are still controlled by Mr McLean, but the company bad an initial public offering in August 1983 when it sold 3.27 million shares at $8 per share. During the past year the shares have traded between $14 and $6⅞, and are currently being quoted at $8¼. At this level the company has e stock market valuation of less than $400m.

McLean said about $45m of operating loss and interest associated with phasing in the new vessels and the entry into new markets contributed to the 1985 loss while $48.9m was deferred and capitalised.

The company expects to report a loss in the first quarter of the current year and as a result its US Lines subsidiary was not in compliance with certain financial covenants in its major loan agreements. McLean says its lenders have granted it a temporary waiver of compliance with these covenants and have agreed in principle to modifications of its loan agreements.

Youthful market faces up to the demands of self-regulation

THE Eurocommercial paper market, despite its youth, is having to face up to the demands of maturity, writes Alexander Nicoll in London.

The creation of a new regulatory structure to cover all Londoo securities markets, now under way, has already meant the formation of a self-regulatory body, the International Securities Regulatory Organisation (Isro), to handle the Euromarkets' interests. It will also entail formal recognition of investment exchanges which must meet standards for settlement and price reporting.

For the Eurobond market, the Association of International Bond Dealers is gearing up to form the central marketplace meeting whatever regulatory standards are set. The Securities and Investments Board (SIB), which is to be the umbrella regulator, has yet to come up with the precise requirements.

It is also likely that an investment exchange will need to be designated for short-term money market Euroinstruments such as notes, commercial paper, certificates of deposit and bankers acceptances.

The formation of a new trade association for Euronotes and Eurocommercial paper may be a step towards this goal. All houses which trade such paper have been invited to a meeting in London this evening which follows a series of informal hunches during the past few months.

Estimates of the oumber of dealers likely to be represented range from 20 to 80. It is intended that the association's scope should cover all who make markets, even if they only do so occasionally or to a limited clientele. If that means a fairly large membership, then it is possible there would also be an inner core body for those who are particularly active.

Minimum general rules are likely to be set for standards of professional conduct, and with a view to investor protection. The association will attempt to ensure smooth growth of the market by attacking some of its niggling problems, most notably thet of settlement.

Althougb Euronotes and Eurocommercial paper are handled by several rival clearing systems, there is dissatisfaction in the market for example about the methods of transferring securities from one system to another, and about the abilily of systems to handle paper with very short maturities.

Once the new association is formed, it is likely to link with the International Certificate of Deposit Marketmakers Association (ICDMA), which for 18 years has acted as a trade association for secondary marketmakers in Eurocommercial paper. Its 28 members are due to meet tomorrow to discuss e revitalisation through the admissioo of associate members who sometimes make markets in commercial paper.

In the longe run, the combined body – due to be called the International Money Market Association – could form the basis for an investment exchange, also taking in bankers' acceptances, in the new City of London structure.

Westpac Banking Corporation is arranging a $500m Eurocommercial paper programme to complement a US programme of the same size. Dealers are Westpac International Capital Markets, Merrill Lynch Capital Markets, Morgan Guaranty, Morgan Stanley and Salomon Brothers International.

Singer, the US company which has dispensed with sewing machines in favour of aerospace electronics, is arranging a $50m Eurocommercial paper programme with Citicorp Investment Bank as sole dealer. This is the borrower's first venture into commercial paper.

Istituto per lo Sviluppo Economico dell'Italia Meridionale (Isveimer), the Southern Italian development bank, mandated a $300m transferable advances facility, under which the borrower will draw six-month advances at 30 basis points above reserve-adjusted domestic US CD rates.

Tokyo tightens curbs on margin trading

BY YOKO SHIBATA IN TOKYO

THE Tokyo Stock Exchange has tightened the curbs on margin trading from today in a new effort to dampen increased speculation.

The exchange also issued an unusual warning to investors to be more prudent "because the market rally is clearly being driven by enormous liquidity and at an accelerating pace."

From Monday the exchange will permit only 60 per cent of the market value of securities to be used as collateral posted for stock trading on credit, down from 70 per cent. The 10 per cent cut means that less credit will be available for investors to buy or sell stocks on margin.

It will also mean more cash will be needed for margin trading because investors trading on credit must deposit a specified ratio of the value of a transaction with brokers in consignment guarantee money, some in cash and the remainder in securities.

US MONEY AND CREDIT

Volcker survives attempted coup at the Fed

MR PRESTON MARTIN'S decision to resign from the number two job at the Federal Reserve, apparently because the Reagan Administration refused to promise him the chairmanship, shows that Mr Paul Volcker, the current chairman, is living up to his reputation as the second most powerful man in the US.

At the start of last week there were some people in the financial markets who were beginning to have their doubts. Fed watchers were stunned by news reports last Monday that Mr Volcker, one of the most powerful chairmen in the history of the Fed, had been outvoted for the first time on a monetary policy issue.

Accrding to the reports, Mr Volcker had argued against a cut in the discount rate at a meeting of the Federal Reserve Board on February 24, but had been outmanoeuvred by Mr Martin, the vice-chairman who is said to have long coveted Mr Volcker's job, and three other Ms Martha Seger, Mr Wayne Angell and Mr Manuel Johnson.

The last two Fed governors had been in their posts for less than three weeks and their decision to question Mr Volcker's views on a highly symbolic issue like a discount rate cut has inevitably raised questions about Mr Volcker's ability to control US monetary policy.

The highly unusual episode has occurred at a time when the world's financial markets are being buffetted by a series of major influences ranging from the collapse in world oil prices to the sharp drop in interest rates and a dramatic boom in stock markets. It is the sort of period when financial markets can be easily rattled if it appears that the world's most powerful central banker is losing his grip.

By all accounts Mr Volcker was extremely upset by this unexpected challenge to his authority, and there have been reports that he threatened to resign. In the event he went to seek the support of Mr James Baker, the US Treasury Secretary, and shortly before the cut was to be announced, Mr Angell, one of the so-called "gang of four" Reagan appointees, apparently changed his mind, enabling Mr Volcker to reach a face-saving compromise. It was agreed that the US discount rate cut would be delayed until other leading central banks had moved.

Ten days later, all seven members of the Fed voted in favour of a half-point cut in the discount rate and there the matter would have rested if the details of the internal dissension had not been leaked to the US media, which has been having a field day discussing the "palace revolt" and "attempted coup" at the Fed.

Ms Seger, who has often complained that she is being left out of the Fed's policymaking deliberations, fuelled the flames last week by saying that the Federal Reserve was not "supposed to be a one-man show" and the initial vote of the Reagan appointees "signified some independence" from Mr Volcker.

The Washington Post, in a leader last week on "the fiasco at the Fed," noted that the striking thing about the attempted coup was its "extreme incompetence." It said that the effect of Mr Martin's ploy was to "weaken the US in the tense and difficult international monetary talks now in progress." The New York Times described Mr Volcker's defeat as "a stunning rebuke to his extraordinary leadership for more than six years" and warned that "such reckless muscle-flexing also risked economic damage."

The initial reaction of the financial markets to the reports of open warfare at the Fed has been muted. The epic rally in the US credit markets came to a halt last week, but this probably had more to do with uncertainty about oil prices than any fear that Mr Volcker had lost control of his central bank.

In the foreign exchange markets on Tuesday the dollar fell to a record low of 174.30 against the Japanese currency. This compares with Yen 260 a year ago but there was no sign last week of a sustained flight out of the dollar because of concern that Mr Volcker's influence is ebbing.

The immediate conclusion of the markets appears to be that the challenge to Mr Volcker was little more than a "storm in a teacup." With the departure of Mr Martin, the Fed chairman has lost his main critic on the board and appears to have strengthened his position in the short-term at least, although this could change depending on who is appointed to succeed Mr Martin.

While Mr Volcker and his allies no longer have a majority on the Federal Reserve Board, they continue to dominate the Federal Open Market Committee (FOMC). This is the main forum for setting US monetary policy and Mr Volcker can rely on the support of the presidents of the five regional Federal Reserve banks, who sit on the 12-member FOMC, to defeat any challenge from the Reagan appointed board members who might favour a faster easing of US monetary policy

William Hall

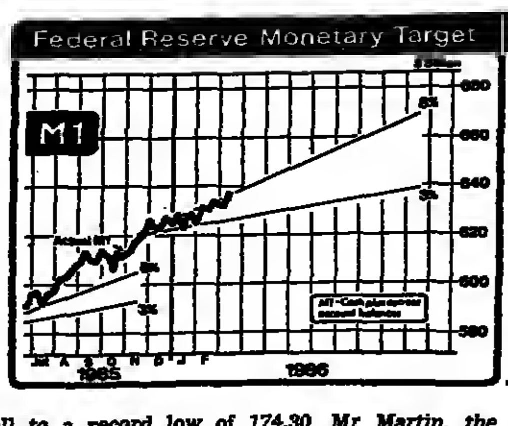
US MONEY MARKET RATES (%)

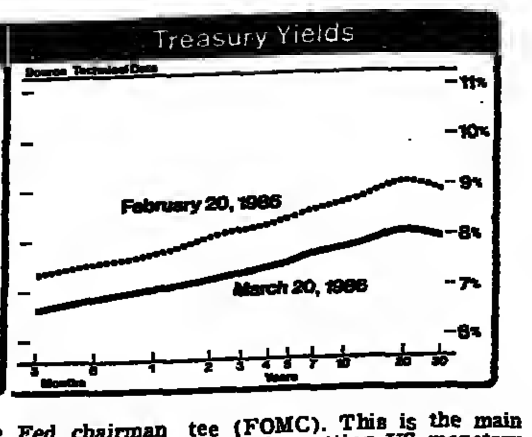
	Last Friday	1 week ago	4 wks ago	12-month High	12-month Low
Fed Funds (weekly average)	7.39	7.65	7.89	9.91	7.10
Three-month Treasury bills	6.43	6.53	7.00	8.50	6.43
Six-month Treasury bills	6.49	6.56	7.07	8.59	6.49
Three-month prime CDs	7.20	7.18	7.67	8.90	7.18
30-day Commercial Paper	7.15	7.20	7.65	8.70	8.95
90-day Commercial Paper	7.06	7.10	7.50	8.80	7.00

US BOND PRICES AND YIELDS (%)

	Last Friday	Change on week	Yield	1 week ago	4 wks ago
Seven-year Treasury	105½	−⅛	7.71	7.63	9.38
20-year Treasury	112⅛	—	8.12	8.13	8.82
30-year Treasury	114⅛	−⅛	7.97	7.96	8.70
New 10-year "A" Financial	n/a	−⅛	8.70	8.00	9.25
New "AA" Long utility	n/a	−⅛	8.13	9.00	0.50
New "AA" Long Industrial	n/a	−2⅛	9.13	8.98	9.50

Source: Salomon Bros (estimates).
Money Supply: In the week ended March 10 M1 rose by $5.7bn to $637.6bn





UK GILTS

Budget speech buoys activity and prices

AT THE end of one of the briskest weeks of trading in recent memory, the UK gilt market finds itself standing some 5½ points higher than it did last Monday morning, all fears of an Opec debacle or an imprudent Budget behind it. Sterling shrugged off a full percentage point cut in base lending rates to end the week 1.6 higher on the Bank of England's index and comfortably clear of the $1.50 mark.

There is no shortage of takers for the four partly paid stocks now on offer, which present a neatly geared invitation to investors. One of the four, Treasury 10 per cent 2003, was issued at £35 paid and now stands at £49¾.

The rise has been so swift that the market has as yet felt no need to pause and rethink its initial favourable impression of Mr Nigel Lawson's Budget proposals. This impression draws largely on the Chancellor's good cheer on the prospects for the non-oil economy and for inflation, and on his decision to name a lower public sector borrowing requirement target for 1986-87 than indicated last year.

It owes little to the restatement of monetary policy. No diehard monetarists have yet been observed attacking the adoption of an 11 to 15 per cent target range for sterling M3, the broad money aggregate, on the grounds of financial laxity. Yet there is no indication given in the Chancellor's Budget statement of why this range was chosen.

The slowdown in velocity of £M3 has averaged around 2½ per cent since 1979-80, according to stockbroker James Capel and Co, with 1985-86 velocity slowing by around 3½ per cent. The Government's target for £M3 in the coming financial year, however, implies a 5½ per cent decline in velocity.

Some City analysts hope all will be explained in Mr Lawson's speech to the Lombard Association on April 16, which has been trailed by the Treasury as a major exposition of the Government's monetary policy. Others question how the Chancellor can explain a policy which they see as having no more than superficial significance.

"The £M3 target seems to have been set largely because it can be hit, not because it is necessarily consistent with declining nominal expenditure growth," comments Mr Gavyn Davies, chief economist at stockbroker Simon and Coates. "The linch-pin of the original Medium Term Financial Strategy has become a target for derision."

Of more immediate importance to the gilts market is the PSBR — setting aside the expansion of government funding this year through increased asset sales. The market has responded gleefully to the cut in the Government's borrowing target, even though it is likely to require higher net gilt sales than the current year — especially now National Savings has no funding target to fall short of.

There are some doubters in the City who believe the Chancellor will not hit his borrowing target. Capels and Phillips & Drew, for instance, both forecast a PSBR outturn of £8.5bn for 1986-87.

Such criticisms must remain mezzopiano for the time being. The market is in no mood to listen when Mr Lawson can turn in PSBR figures like those that accompanied his Budget last Tuesday: a net repayment to the private sector of £373m in February, bringing the cumulative borrowing requirement for 11 months of the year to only £2.8bn, compared to £7.7bn at the same stage of 1985.

It remains unclear whether the markets will be any more inclined to listen to the authorities, which spent much of Friday busily signalling that it was time to stop and consolidate. By declining to buy bills in the afternoon, and instead lending at 2.30 pm to the discount houses at a rate of 12 per cent, the Bank of England showed its disapproval of a boisterous Treasury Bill tender where the top rate of discount dropped to 10.83 per cent.

The Bank then extended the message to the gilts market with £400m of new tranches of Treasury Loan 9 per cent 1994, Treasury Loan 8¾ per cent 1997 and Treasury Loan 8 per cent 2002-06. All three stocks are free of tax to non-residents, which will help to encourage overseas investors who still find UK yields attractive.

George Graham

FT/AIBD INTERNATIONAL BOND SERVICE

US DOLLAR STRAIGHTS	Issued	Price	Chg. on week	Yield
AHFC O/S Fin 11¾ 94	100	104½	−0⅛	10.86
AIOC 11 89	75	107⅜	0	7.99
Alcan Australia 8⅞ 89	25	87⅞	−0⅛	8.42
Amer Savings 12 89	125	105⅞	0	9.81
Amer Savings 12¼ 89	100	106⅜	0	9.77
Asian Dev Bk 11¼ 93	100	114⅛	+0⅛	9.00
Australia 11¾ 90	100	112⅜	+0⅛	7.90
Australia 11¼ 95	300	118⅞	+1⅛	8.52
Australia 11¾ 98	100	123⅞	−0⅛	8.50
Austria 15¾ 88	75	113½	0	7.89
Avon Fin 10⅝ 92	100	103¼	+1⅛	8.47
Bk Nova Scotia 13⅜ 87	100	106⅛	−0⅛	8.42
Bank of Tokyo 12⅛ 92	100	113⅛	−0⅛	0.29
Bank of Tokyo 13⅜ 91	100	120⅜	−0⅛	8.54
Bank of Tokyo 13⅞ 89	100	116⅛	−0⅛	8.33
BMW O/S Fin 10⅝ 91	80	106⅞	−0⅛	8.88
BP Capital 11⅜ 92	100	109⅝	+0⅛	8.93
Br Col Hydro 11⅞ 93	200	118⅝	+0⅛	8.39
Br Col Hydro 12½ 14	200	127⅛	0	8.90
Br Col Hydro 12⅝ 13	250	129⅜	+0⅛	9.67
Britoil Fin 11⅞ 90	125	107	+0⅛	9.86
Caisse Nat En 11⅜ 95	125	118⅞	+0⅛	8.89
Canada 10⅞ 89	500	107⅛	+0⅛	7.70
CBB Inc 11⅜ 92	100	106⅛	0	10.11
Centrust S & L 0 10	1.2bn	10⅞	+0⅛	9.73
Chesebrough 12 93	100	107⅞	−0⅛	10.32
Chubu Elec Pwr 13⅜ 91	90	118	+10	8.90
Citicorp O/S 10⅜ 90	100	102⅜	+0⅛	8.67
Citicorp O/S 11⅜ 90	100	105	+0⅛	10.27
Citicorp 11⅝ 92	100	107½	−0⅛	8.98
Citicorp 11⅝ 97	200	107⅜	+0⅛	10.61
Citicorp O/S 14 94	100	101⅞	+0⅛	13.57
CNCA 11⅝ 92	125	114⅛	+0⅛	8.42
CNCA 13⅝ 91	100	119⅛	+0⅛	8.38
Coastled Int 12⅝ 89	125	105⅛	−0⅛	9.21
Coca-Cola 11⅜ 88	100	109⅛	+0⅛	7.98
Cp Fn de Paris 13⅜ 89	100	106⅞	−0⅛	10.67
Continental Grp 11⅜ 92	75	101½	−0⅛	11.89
Creditanstalt 13⅜ 91	100	118⅛	+0⅛	8.91
Dai-Ichi Kangyo 12⅛ 90	100	114⅛	+0⅛	9.28
Denmark 10⅞ 90	100	103⅜	+0⅛	9.70
Denmark 11⅝ 92	100	113⅛	+0⅛	8.62
Denmark 12⅝ 92	250	101⅞	−0⅛	12.28
Denmark 13 91	100	118⅛	+0⅛	8.40
Denmark 13 92	100	101⅛	+0⅛	12.50
Denmark 13⅜ 91	100	119½	+0⅛	8.83
Denmark 13⅞ 88	100	117⅞	+0⅛	8.16
Denmark 14 91	100	113	+0⅛	10.83
Digital Equip 11⅜ 88	150	108⅛	−0⅛	8.36
Dutch St Mines 11⅜ 91	150	105⅛	0	9.89
Eksportfinans 11⅜ 92	100	113½	+0⅛	8.31
Eksportfinans 11⅜ 90	100	108½	+0⅛	8.14
Elec de France 11⅜ 93	100	114⅛	+0⅛	8.35
Elec de France 12⅝ 87	150	107	+0⅛	7.85
EEC 11 87	350	103⅞	0	7.72
EEC 11⅜ 90	100	108⅛	+0⅛	8.07
EEC 12 93	100	119⅝	+0⅛	8.44
Elf-Aquitaine 10⅝ 89	100	100	0	8.39
Ericsson L M 10⅝ 89	100	102⅛	0	8.91
Euro Inv Bk 11⅜ 90	200	112⅛	+0½	8.22
Euro Inv Bk 11⅜ 91	73	109⅞	+2⅛	0.01
Euro Inv Bk 12⅜ 90	100	115⅛	+0⅛	9.01
EDC 9⅝ 88	200	104⅛	+0⅛	7.90
EDC 10 88	125	104	0	7.74
EDC 10⅝ 88	100	105	+0⅛	7.86
EDC 11⅜ 88	150	108⅛	+0⅛	7.82
EDC 12 89	100	112	+0⅛	0.01
EDC 13⅜ 87	100	107½	+0⅛	7.77
Fed Dept Store 11 90	100	108⅛	−0⅛	8.43
Finland 11⅜ 88	100	105⅞	−0⅛	7.90
Finland 12⅝ 94	75	122⅛	+0⅛	8.51
Finnish Export 12⅜ 87	75	106⅞	0	7.98
Firstfed Mick 1 13⅜ 89	125	109⅛	0	0.65
Florida Fed 12⅝ 89	100	105⅞	−0⅛	10.08
FNMA 11⅜ 81	300	111⅛	+0⅛	8.91
Gen Elec Cred 0 96	600	43⅞	0	8.32
Gen Elec Cred 9⅜ 81	100	103⅛	−0⅛	8.82
Gen Elec Cred 10⅜ 90	200	104⅞	−0⅛	8.72
Gen Elec Cred 11 81	200	105⅛	−0⅛	9.34
Gen Elec Cred 11⅜ 97	200	105	−0⅛	10.77
Gen Elec Cred 12 94	200	111	+0⅛	10.02
Gen Foods Cap 11⅜ 90	75	107⅛	+0⅛	9.25
General Mills B 12 91	100	122⅛	+8⅛	7.00
GMAC 10 89	200	103⅛	0	8.04
Gen Motors Acc 10⅜ 90	200	104⅞	−0⅛	8.17
Gen Motors Acc 11⅜ 90	100	108⅛	0	9.44
GMAC O/S Fin 15⅜ 97	100	99⅝	−1⅛	11.66
GTE Finance 12 96	75	103⅛	+0⅞	11.43
Gulf Oil 10⅝ 94	100	102	+1⅛	9.89
OZB 14 01	100	118⅞	−0⅞	9.28
Holt Air Fin 12⅝ 91	100	108⅛	+0⅛	10.56
Household Fin 11⅜ 92	100	108⅞	+0⅛	9.56
IBM 9⅜ 89	200	103	−0⅛	9.23
IBM (WTC) 10⅜ 89	300	106⅛	−0⅛	8.06
IBM Credit 11 89	100	105⅛	+0⅛	9.23
IC Industries 8⅜ 87	35	99⅛	0	0.14
IC Industries 12 90	75	107⅞	+0⅞	9.58
Inco 9 92	100	97⅛	+0⅛	0.56
Ind Bk Japan 10⅜ 92	100	107⅛	+0⅛	9.00
Ind Bk Japan 10⅞ 95	100	106⅛	+1⅛	8.47
Ind Bk Japan 11½ 89	125	109⅞	−0⅛	7.62
Ind Bk Japan 11⅞ 91	100	113⅛	+0⅞	8.74
Int-Amer Dev 12⅜ 91	150	118⅛	+0⅛	8.43
Int-Amer Dev 11⅜ 94	200	119⅛	+3⅞	9.67
Int Paper 12 91	75	106⅛	+0⅛	10.31
Int Stand Elec 0 97	112	34⅛	+1⅛	10.10
Int Stand Elec 12 95	75	107	+0⅛	10.82
ITT 11⅜ 89	125	107	+0⅛	9.15
ITT Credit Corp 10⅜ 90	75	105⅛	+0⅛	8.83
Japan Airlines 12½ 94	70	118	+0⅛	8.58
Japan-Dev Bk 10⅜ 92	50	106⅛	0	8.80
Kellogg Co 10⅞ 90	100	106⅛	−0⅛	8.81
Kellogg Co 11⅜ 92	100	109⅛	−0⅛	0.09
Kimberley-Clark 12 94	100	118⅛	+0⅛	8.82
Kyowa Fin HK 12⅞ 90	100	114⅛	0	8.65
Long Term Cred 10⅜ 90	100	106⅛	−0⅛	8.35
Long Term Cred 11 90	100	109⅛	+0⅛	8.18
Long Term Cred 11⅞ 89	100	109⅞	−0⅛	8.07
Long Term Cred 12 93	100	118⅛	+0⅛	8.56
Macy R H 11⅜ 91	100	103⅛	−0⅛	10.72
Macy R H 11⅜ 95	100	103⅛	−0⅛	11.10
Manitoba 14⅜ 91	150	125⅛	−0⅛	8.78
Marubeni 11⅜ 91	100	110	+7	8.06
McDonalds Fin 11⅜ 94	75	108⅛	0	8.59
Merrill Lynch 12⅜ 89	100	106⅛	−0⅛	10.36
Michelin 10 94	125	100½	+0⅛	0.89
Mitsubishi Cp 10½ 92	100	104⅞	0	9.38
Mitsubishi Cp 10⅞ 95	200	107⅜	+0⅛	9.30
Mitsubishi Co 12⅜ 91	100	117⅛	−0⅛	8.26
Mitsubishi Est 11⅜ 89	50	106⅛	+0⅛	8.19
Mitsui Eng 7⅜ 89	90	113⅛	−5⅛	1.92
Mitsui Fin Asia 12⅜ 92	100	113⅛	−0⅛	8.09
Mitsui Tst Fin 12 91	100	115⅛	+1	8.00
Mobil Corp 10⅜ 90	200	104⅛	0	8.93
Montreal City 12⅜ 01	70	111⅛	+0⅛	9.42
Mgn Guaranty 12⅜ 89	150	110⅛	+0⅛	9.26
Morgan J P 11⅜ 92	100	106⅛	+0⅛	0.36
Mount Isa Fin 13⅜ 97	100	106½	+0⅛	8.24
Ned Gasunie 11⅜ 90	75	111⅛	+0⅛	8.22
Ned Gasunie 11⅜ 91	75	108⅛	+0⅛	8.02
N Eng Ll Mtg 11⅜ 95	149	112⅛	−0⅛	9.66
Newfoundland 13 01	75	112⅛	+0⅛	9.75
Nippon Crd Bk 13⅜ 89	100	118	0	8.44
Nippon Tel Tel 11⅜ 90	100	113⅛	0	7.20
Nippon Tel Tel 12⅜ 91	100	118⅞	+0⅛	8.26
Nissho-Iwai 5½ 89	70	166⅛	+15⅛	0.00
Nomura 8⅜ 89	100	271⅛	+28⅛	0.00
Nova Scotia 11⅜ 91	100	108⅛	+1	9.83
Nova Scotia 11⅜ 98	100	111⅛	+0⅛	9.89
Oester Post 12⅜ 88	75	110	0	8.41
Ohbayashi-Gumi 7⅜ 89	50	254	+41	0.00
Ontario Hydro 11⅜ 94	200	118⅛	+0⅛	8.30
Ontario Hydro 11⅜ 90	200	113⅛	+0⅛	8.10
Ontario 12½ 94	250	123	+1⅛	0.67
Pacific Gas & El 12 00	75	111⅛	0	10.41
Penney J C 11⅜ 90	100	106⅛	+0⅛	10.10
Penney J C 12⅜ 91	100	113	+0⅛	9.58
Phillips Petrol 14 89	200	102	−0⅛	13.14
Postipankki 11⅜ 90	75	107⅛	−0⅛	8.81
Post-Och Kred 13⅜ 87	50	106½	0	8.14
Privatbanken 12⅜ 95	100	118	−0⅛	0.41
Prudential Ins 12⅜ 87	150	106½	−0⅛	9.08
Pru Rlty Secs 0 89	365	34½	+0⅛	8.66
Pru Rlty Secs 11⅞ 92	386	108⅛	−0⅛	8.89
Pru Rlty Secs 12⅜ 96	545	114⅛	0	9.58
Quebec Prov 12⅜ 94	150	115½	+0⅛	9.37
Queensland Gvt 11⅜ 89	100	109⅛	0	8.33
RBC 11⅜ 90	100	107⅜	−0⅛	8.74
Rural Bk Aust 12 91	50	107⅛	−0⅛	9.92
Saswe Bank 11⅞ 92	150	113⅛	0	8.92
Saskatchewan 10⅜ 92	100	111⅛	+0⅛	8.17
Saskatchewan 10⅜ 90	125	108⅛	+0⅛	8.13
Saskatchewan 11⅞ 89	100	111⅛	+0⅛	8.04
Saskatchewan 15 92	150	131	+0⅛	8.49
Saskatchewan 16 89	125	120⅛	0	8.04
Scot Intl Fin 14⅜ 96	50	118	0	11.19
Sears O/S Fin 0 98	600	34⅛	+0⅛	9.00
Sears Roebuck 10½ 91	150	106⅛	−0⅛	9.10
Sears Roebuck 11⅜ 91	100	112⅛	+0⅛	8.29
Sec Pacific 12 92	100	115⅛	+0⅛	8.94
Shearson/Amex 12⅜ 94	100	110⅛	−0⅛	10.12
Shell (Canada) 14½ 92	125	115⅞	+1⅛	10.70
Sigeal Compa 11⅜ 92	125	109⅛	+0⅛	8.48
Standard Oil 10⅜ 89	150	103⅛	+0⅛	8.00
Statoil 12 89	100	107⅜	0	7.86
Sumitomo Corp 10⅜ 92	100	109	0	8.63
Sumitomo Fin 11⅜ 92	150	114½	−0⅛	0.66
Sumitomo Fin 12⅜ 91	150	117⅛	0	8.46
Sumitomo Trust 12½ 92	100	113⅛	−9	9.36
Sweden 11½ 89	200	110⅛	+0⅛	8.06
Sweden 12⅜ 89	200	111⅛	+0⅛	8.02
Swedish Export 10⅜ 89	100	104⅞	−0⅛	8.84
Swedish Export 11⅜ 89	100	108⅛	+0⅛	7.94
Swedish Export 12⅜ 89	100	110⅛	+0⅛	0.09
Taiyo Kobe 11⅜ 90	100	111⅛	+0⅛	8.89
Taiyo Kobe 12 90	100	112⅞	0	8.56
Tenneco Corp 11⅜ 89	150	106	−0⅛	8.87
Texaco Capital 10⅜ 90	200	96	+0⅛	11.92
Texaco Capital 10⅜ 50	200	101	+3½	10.28
Texaco Capital 13⅜ 89	200	104⅛	+0⅛	11.74
Texas Instru 11⅜ 91	150	106⅛	−0⅛	10.12
Tokai Asia 12⅛ 01	100	113⅛	+0⅛	8.77
Tokyo Elec Pr 13⅜ 89	100	113	0	8.69
Tokyo Metroo 12⅞ 94	50	118⅛	+0⅛	0.56
Toray Inds 11⅜ 92	90	106⅛	+3⅛	0.65
Toronto-Dom 12⅜ 89	50	109⅛	+0⅛	8.91
UBS 12⅜ 91	100	108⅛	+0⅛	10.11
Utd Tech 11⅜ 92	150	111⅛	+0⅛	8.58
Veba 8 93	70	231	+15½	0.00
West LB 11⅜ 90	100	111⅛	+0⅛	8.78
Westpac 12⅜ 92	100	118½	−1⅛	0.00
Weyerhaeuser 11⅜ 90	60	107⅛	+2⅛	8.60
World Bank 11 92	200	113⅛	+0⅛	8.07
World Bank 11⅜ 50	200	111⅛	+0⅛	8.05
World Bank 11⅜ 89	200	109⅛	+0⅛	7.63
World Bank 12 92	200	119⅛	+0⅛	9.42
World Bank 12⅜ 94	150	121⅛	+0⅛	8.55
World Bank 12⅞ 94	200	124⅛	+0⅛	8.91
Yasuda Trust 12⅜ 89	100	111⅛	+0⅛	7.93

FLOATING RATE NOTES	Issued	Price	Chg. on week	C.cpn
African Dev Bk ⅛ 96	100	100	−0⅛	9⅛
Arab Bank Corp ⅛ 96	100	99⅛	−0⅛	7⅛
Banca Lavoro ⅛ 91	100	100	0	8⅛
Banco di Roma ⅛ 89	150	100⅛	0	8⅛
Bnco di Roma ⅛ 92CU	75	89⅞	0	10⅛
Bankers Tr NY ⅛ 94	200	100	−0⅛	9⅛
Bank of Greece ⅛ 94	150	97⅛	0	6⅞
Bank Montreal ⅛ 94 £	100	100⅛	0	11⅛
Bqe Nat Paris ⅛ 89	400	101⅛	+0⅛	8⅛
Bqe Nat Paris ⅛ 95	400	101⅛	0	8⅛
Bqe Nat Paris ⅛ 95	250	100⅛	0	8⅛
Barclays O/S ⅛†	600	100⅛	0	8⅛
BBL ⅛ 95	100	100⅛	0	8⅛
BBL ⅛ 88	100	100⅛	0	8⅞
BCI ⅛ 96	300	100⅛	0	8⅞
BFCE ⅛ 97	400	98⅞	0	8⅛
BFCE ⅛ 89	600	100⅛	0	7⅛
Belgium ⅛ 04	400	100	0	8⅛
CCCE ⅛ 06	200	100⅛	0	8⅛
CEPME ⅛ 98 £	100	100⅛	−0⅛	11⅞
Chase Manhattan ⅛ 09	400	100	0	8
Chemical NY ⅛ 98	300	99⅛	0	8⅛
Citicorp O/S ⅛ 91 £	100	99⅛	0	12⅛
Citicorp O/S ⅛ 98	250	98⅛	0	7⅞
Citicorp Pss Pss ⅛ 97	250	100	0	8⅛
Commerzbank ⅛ 89	150	100⅛	0	8⅛
Creditanstalt ⅛ 96	150	100⅛	0	8
Credit Foncier ⅛ 00 £	100	100⅛	0	13⅛
Credit Lyonnais ⅛ 96	300	100⅛	0	8⅛
Credit Lyonnais ⅛ 89	250	100⅛	0	8⅛
Cred Lyonnais ⅛ 00	300	100⅛	0	8⅛
Credit National ⅛ 95 £	100	99⅞	+0⅛	11⅞
Dai-Ichi Kangyo ⅛ 98	150	100⅛	0	0⅛
Den Danske Bank ⅛ 89	30	100	0	8⅛
Denmark ⅛ 90	500	100⅛	0	8⅛
Denmark ⅛ 95	250	100⅛	−0⅛	10
Eldorado Nuke 89	100	100⅛	0	8
Elec de France ⅛ 99	400	101	0	8⅛
ENEL ⅛ 93 £	100	100⅛	0	12⅛
Exterior Intl ⅛ 96	125	100⅛	0	8⅛
Ferro del Stat ⅛ 88	100	100⅛	0	8⅛
Ferro del Stat 97	420	99⅛	0	8⅛
Fiat Fin Corp 8⅛ 91	100	100	0	8⅛
First Chicago ⅛ 94	100	98⅞	+0⅛	8⅛
First Chicago ⅛ 97	200	98⅛	0	9⅛
Ford Motor Cr ⅛ 91	200	99⅛	−0⅛	8⅛
OW O/S Fin ⅛ 94	100	99⅛	0	8⅛
Grindlays ⅛ 94	100	100⅛	−0⅛	8⅛
Interfirst Tex ⅛ 89	100	96	+1	0⅛
Ireland ⅛ 89	50	100	0	8⅛
Ireland ⅛ 93 £	50	100⅛	0	13⅛
Ireland ⅛ 94 £	300	100⅛	0	8⅛
Ireland ⅛ 96 £	100	100⅛	+0⅛	12⅛
Ireland ⅛ 97	300	100⅛	+0⅛	8⅛
Ireland ⅛ 99	300	100⅛	0	7⅛
Italy ⅛ 94	1bn	100	0	8⅛
Italy ⅛ 99	500			8⅛
Kleinwort Benson ⅛ 96	100	100⅛	0	8⅛
Korea Dev Bk ⅛ 00	100	98⅛	0	8⅛
Lincoln S O L ⅛ 89	100	100	+0⅛	8⅛
Malaysia ⅛ 92	500	100	0	8⅛
Malaysia ⅛ 94	600	98⅛	−0⅛	8⅛
Man Hanover ⅛ 94 £	75	98⅛	0	12⅛
Marine Midland ⅛ 94	125	100	0	8⅛
Marine Midland ⅛ 96	125	99⅛	−0⅛	7⅛
Marine Midland ⅛ 09	100	100	+0⅛	7⅛
Mellon Bank ⅛ 96	250	100⅛	+0⅛	8⅛
Midland Intl ⅛ 88	200	100⅛	0	7⅛
Mitsui Fin ⅛ 98	100	100⅛	0	7⅛
Morgan Grenfell ⅛ 94	50	99⅛	+0⅛	8⅛
Mtg Intermed ⅛ 10 £	50	100⅛	+0⅛	12
Nat Bank Canada ⅛ 91	50	100⅛	+0⅛	8⅛
NatWest ⅛ 05	400	100⅛	0	8⅛
NatWest Fin ⅛†	300	100⅛	0	9⅛
Neste Oy ⅛ 94	100	100⅛	0	8⅛
New Zealand ⅛ 87	350	100⅛	0	8⅛
NZ Steel Corp ⅛ 92	225	100⅛	0	8⅛
Offshore Min ⅛ 91	150	100⅛	0	8⅛
Oster Land Bank ⅛ 96	100	100⅛	+0⅛	9⅞
Portugal ⅛ 92	100	100	0	8⅛
Queensland Coal ⅛ 96	358	100⅛	0	8⅛
Renfe ⅛ 91	100	100⅛	0	8⅛
Sanwa Intl Fin ⅛ 92	100	100⅛	0	8⅛
SEAT ⅛ 93	100	100⅛	0	8⅛
Security Pac ⅛ 97	250	99⅛	−0⅛	7⅛
Shawmut Corp ⅛ 97	50	99⅞	0	9⅛
SNCF ⅛ 93 £	75	100⅛	−0⅛	13⅛
Soc Generale ⅛ 97	400	100⅛	0	7⅛
Soc Generale ⅛ 94	250	100⅛	0	7⅛
Spain ⅛ 99	500	100⅛	0	8⅛
Spain ⅛ 87	250	100⅛	0	8⅛
Standard Chart ⅛ 94	200	100⅛	0	8⅛
Sumitomo Trust ⅛ 94	100	100⅛	0	5⅛
Swedbank ⅛ 91	75			8⅛
Sweden ⅛ 99	500	99⅞	0	8⅛
Sweden 90	700	99⅞	0	7⅛
Swedish Ex Cred ⅛ 92	125	100⅛	+0⅛	10
Thailand ⅛ 05	50	00⅛	0	9⅛
Takia Asia ⅛ 99	150	100⅛	0	8⅛
Toyo Trust Asia ⅛ 89	100	100⅛	0	8⅛
TVO Power ⅛ 04	100			7⅛
Union Bank-Norw ⅛ 89	50	99	0	8⅞
United Kingdom 92	2.5bn	100	0	7⅛
Wells Fargo ⅛ 94	150	98⅞	−0⅛	7⅛
Wells Fargo ⅛ 96	00	99	−0⅛	6⅛
Yorkshire Int ⅛ 94 £	75	100	0	12⅛

CONVERTIBLE BONDS	Issued	Price	Chg. on week	Prem.
Ajinomoto 3 99	120	180⅛	+0⅛	0.84
Bass Dankl 5⅞ 97	15	229⅛	−3⅛	−1.70
Canon 7 87	50	225	−6½	−3.98
Daiwa Secs 5½ 96	60	330	+27⅛	6.22
Dev Bank Sing 5⅛ 88	70	74	0	61.21
Eldera 11¼ 94	100	117⅛	+2⅛	4.56
Elektrowatt 5 96	61	137⅞	+1½	−0.19
Fujitsu 3 99	180	105⅛	−2½	−100.00
Intao Inc 3 89	90	140⅛	−0½	1.39
Kyowa Nakko 6⅛ 97	40	319⅞	+8⅛	8.12
LASMO 9⅛ 98	44	86½	+1½	80.46
Moet-Hennessy 7 99	50	158⅛	−1⅛	−89.57
Murata Mfg 3½ 00	100	130⅛	−12	27.44
Nippon Oil 3⅛ 89	50	120½	−0⅛	0.34
Ono Pharm 3⅛ 98	60	190	−0⅛	−8.86
Soc Gen Surv 4½ 94	50	169⅛	+1⅛	−8.61
Sumitomo Corp 2⅞ 98	70	186⅛	+3⅛	−100.00
Texaco Capital 11⅜ 94	1bn	100½	+0⅛	72.63
Texaco Capital 11⅜ 94	600	99⅛	+0⅛	69.53
Tsumura Juntendo 5⅛ 96	30	147⅛	−2	−1.82
Yamaichi Sec 3⅛ 95	20	218⅛	+7⅛	−0.77

YEN STRAIGHTS	Issued	Price	Chg. on week	Yield
Asian Dev Bk 7⅜ 94	15	106⅛	0	8.05
Avon Products 6⅛ 91	25	98⅛	+0⅛	7.04
Denmark 6⅛ 92	20	103⅛	0	6.06
Dow Chemical 7 94	50	102⅛	−0⅛	6.66
EDF 9⅛ 95	20	106⅛	+0⅛	5.92
Eurofima 7⅛ 95	10	106⅛	+0⅛	8.33
Eurofima 6⅛ 92	10	103⅛	0	5.98
FNMA 6⅞pc 92	50	103⅞	0	8.07
GMAC 6½ 90	25	102	−0⅛	6.80
Intel 6⅛ 92	72.5	97⅛	0	7.13
Int-Amer Dev 7⅞ 92	15	104⅛	+0½	7.10
ITT 6⅛ 92	20	101⅛	−0⅛	8.43
McDonald Corp 6⅛ 92	25	102	−0⅛	8.08
New Zealand 7⅛ 90	15	105⅛	+0⅛	8.80
New Zealand 7⅛ 89	16	106⅛	+0⅛	8.62
Pacific Gas & El 7 94	20	103	−0⅛	8.52
Penney J C 6⅞ 92	28	101⅛	+0⅛	6.48
Procter 6⅛ 92	25	103	0	8.00
Sallie Mae 6⅛ 92	25	103⅛	+0⅛	5.97
TRW 7 94	15	102⅛	−0⅛	6.63
Utd Technology 6⅛ 92	25	102⅛	−0⅛	8.07
World Bank 7 94	20	106⅛	0	5.92
World Bank 7⅛ 93	20	109⅛	+0⅛	6.09
World Bank 9 93	20	110⅛	+0½	6.08

LUXFR STRAIGHTS	Issued	Price	Chg. on week	Yield
ASEA 9⅛ 89	600	101⅛	+0⅛	8.15
Eurofima 10 94	600	105⅛	+0⅛	8.08
ECoal O Steel 10⅛ 94	1bn	105⅛	+0⅛	9.52
Euro Invest Bk 10½ 94	1bn	108⅛	+2⅛	8.89
World Bank 10⅛ 89	1bn	103⅞	+0⅛	8.79

GUILDER STRAIGHTS	Issued	Price	Chg. on week	Yield
ABN 9 89	200	105⅛	−0⅛	8.86
ABN 7⅛ 89	150	106⅛	+0⅛	5.73
Amro Bnk 7⅛ 89	150	103⅛	−0⅛	8.19
Amro Bank 9 89	200	104½	−1	8.30
Bk Mees O Hope 8⅛ 89	100	105⅛	+0⅛	9.19
Beatrice Foods 8⅛ 89	150	103⅛	−0⅛	8.53
C C Rabo 9 89	150	105⅛	+0⅛	6.02
Denmark 8½ 91	100	108	−0⅛	6.61
Int Stand Elec 8½ 89	100	104⅞	+0⅛	6.69
New Zealand 8⅛ 89	100	105⅛	0	6.30

CANADIAN DOLLAR STRAIGHTS	Issued	Price	Chg. on week	Yield
Amex 12⅛ 91	50	105½	+0⅛	10.97
Aust Resources 11⅜ 92	50	105⅛	+0⅛	10.27
Bank of Tokyo 10⅛ 92	75	100½	−0⅛	10.75
Bqe l'Indosuez 14 01	75	112⅛	+0⅛	10.86
Br Col Munic 12⅜ 91	100	109⅛	+0⅛	10.01
Br Col Munic 13⅛ 91	100	112½	0	10.29
Br Col Tele 12⅛ 89	70	104⅞	−0⅛	11.50
Farm Cred Corp 12⅛ 90	75	107½	+0⅛	10.10
Kredietbank 12 92	75	106	+0⅛	10.65
Long Term Cred 11⅜ 90	75	105⅛	0	9.88
Montreal City 12⅛ 01	50	107⅞	+0⅛	10.18
New Brunswick 12 96	75	110	+0⅛	10.22
Nova Scotia 11⅜ 96	100	108	+0⅞	10.21
Quebec Hydro 14 01	75	106½	−0⅛	12.31

ECU STRAIGHTS	Issued	Price	Chg. on week	Yield
ABN 9½ 93	100	107⅞	+3⅛	7.78
Australia O NZ 10⅛ 91	50	104	−0½	9.70
Austria 10⅛ 93	100	113⅛	+2	8.04
BFCE 9⅛ 92	100	108⅛	+1	7.86
Cred National 10⅛ 94	50	112⅛	+0⅛	9.38
Cred National 11⅛ 91	50	105½	0	9.90
Denmark 10⅛ 91	75	106½	−0⅛	8.06
Ebco Intnl 10⅞ 89	65	103⅛	0	8.57
EEC 11 93	50	105⅛	0	0.91
EEC 11⅛ 91	50	107⅛	+0⅛	8.44
EEC 11⅛ 93	70	106	0	10.05
Euro Coal & Steel 8 94	50	118⅛	+1⅛	9.31
Euro Invest Bk 9⅛ 95	200	103⅞	−0⅛	8.60
Euro Invest Bk 10⅛ 94	130	111⅛	+1	8.13
Euro Invest Bk 10⅛ 89	50	106⅛	+1⅛	7.91
Euro Invest Bk 10⅛ 94	100	111⅛	+1	8.63
Euro Invest Bk 11⅛ 02	75	109⅛	+0⅛	8.10
Euro Invest Bk 11⅛ 03	60	107⅛	+1⅛	0.62
Euro Invest Bk 11⅛ 96	50	113⅛	+0⅛	0.05
Gen Finance 11 90	70	105⅛	+0⅛	9.45
Giro Vienna 10⅛ 93	60	109⅞	+2	8.57
GTE Finance 10⅞ 92	50	108⅞	+0⅛	8.91
Ireland 10⅛ 98	90	104⅛	+0⅛	8.42
Italian Govt 10⅛ 92	600	109⅛	+2⅛	8.62
Italian Tress 11½ 90	60	109⅛	+0⅛	8.92
Kredietbank L 9⅛ 02	75	107⅛	+2⅛	7.66
Megal Finance 11⅛ 94	100	108⅛	−0⅛	0.68
Nippon Cred Bk 11 91	50	108⅛	+0⅛	8.98
Nordic Inv Bk 94	50	115⅞	−0⅛	0.51
Post Och Kred 10⅞ 92	50	105⅛	+0½	9.85
Royal Bk Can 10⅛ 89	85	104⅛	0	8.88
SNCI 10⅞ 94	80	108⅛	+1⅛	9.36
Swedish Export 11 89	57	103⅞	0	9.44
West LB 10⅞ 01	50	103⅛	0	9.85
World Bank 10⅛ 89	100	106⅛	+0⅛	7.91

AUSTRALIAN DOLLAR STRAIGHTS	Issued	Price	Chg. on week	Yield
Nat Aust Bk 12½ 89	40	95⅛	+0⅛	14.29
PIBA 12⅛ 89	50	95	+0⅞	14.55
State Bk NSW 12⅛ 89	40	96⅛	+0⅛	13.68
Woolworths 14⅛ 88	25	101	0	13.67

STERLING STRAIGHTS	Issued	Price	Chg. on week	Yield
BAT Intnl 10⅛ 91	100	104⅛	+1⅛	8.64
Denmark 10⅛ 89	75	102⅛	+0⅞	9.65
EEC 11⅛ 94	50	109⅛	+2	0.65
Europarat 11⅛ 92	50	110⅛	+3	8.06
Euro Invest Bk 10⅛ 92	50	108⅛	+1⅛	8.34
Finland 11⅞ 88	50	102⅞	+0⅛	10.43
Grand Met Fin 10⅞ 90	50	103⅛	+1⅛	8.56
Int-Amer Dev 11⅛ 91	60	108⅛	+2⅛	8.62
Int Stand Elec 11⅛ 89	50	102⅛	+0⅛	8.93
Inv In Indust 11⅛ 91	50	103½	0	10.62
Ireland 11⅛ 94	50	106⅛	+1⅛	10.11
New Zealand 10⅛ 89	100	102⅛	+1⅛	8.78
SNCF 11⅛ 94	60	109⅛	+2⅞	0.48
World Bank 10⅛ 88	100	102⅛	+1⅛	9.54
World Bank 10⅛ 89	50	102⅞	+0⅛	0.84
World Bank 11 94	90	109⅛	+3⅛	9.47

EQUITY WARRANTS	Expiry date	Price	Chg. on week	Prem.
Bank Leu Int	30/8/88	125	−5	6.92
Ciba-Geigy Int £	1/11/93	528½	0	5.25
Credit Suisse	31/5/88	85	+3½	−39.14
Casio Computer	6/8/89	57	−3⅛	−24.62
Fujikura	28/4/89	53	−2½	−8.39
IC Inds	15/6/88	38	0	1.44
Kayaba Industry	15/2/89	51⅛	−2⅛	−8.85
Minebea	20/2/89	61	−3	11.18
Mitsubishi Cp	7/11/88	59	−6	−26.67
Mitsui Petro	16/2/90	0		
Nissho Iwai	1/2/89	72⅛	+16⅛	−17.94
Nomura	31/10/88	0		
Swiss Bank Cpn	20/12/88	130⅛	+5⅞	6.20
Toray Ind	5/3/87	37½	−5	−15.18
Yamato Kogyo	29/1/90	0		

BOND WARRANTS	Expiry date	Price	Chg. on week	Ex. yield
Aegon Ins 11⅛ 91	15/2/88	98	−4⅛	9.28
Coca-Cola 11⅛ 91	28/11/88	112	−2⅛	6.65
Commerzbk 12⅛ 91	21/11/88	0		
Du Pont 13⅛ 89	25/8/86	112	−6½	10.04
Eksportfins 13⅛ 89	18/9/87	130	−8	4.00
Gen Elec 12⅛ 91	7/8/87	118⅛	+0⅛	3.66
Ind Bk Jpn 12⅞ 91	6/10/89	163½	−8⅛	7.42
ITT Finance Carp	15/11/89	175	−9½	0.00
McDnlds 11⅛ 94	6/1/89	120	0	9.37
Oastal Lnbk 13½ 89	8/8/87	127	−2⅛	3.85
Texaco Cap 12⅞ 92	1/9/87	76	−2	7.14
Tmto Dom 12⅛ 91	8/4/88	144⅛	−6⅛	4.88

STRAIGHT BONDS: Yield to redemption of the mid-price. Amount issued is expressed in millions of currency units except for yen bonds, where it is in billions.
FLOATING RATE NOTES: US dollars unless indicated. Margin above six-month offered rate (‡ three-month; § above mean rate) for US dollars. C.cpn = current coupon.
CONVERTIBLE BONDS: US dollars unless indicated. Prem = percentage premium of the current effective price of buying shares via the bond over the most recent share price.

WARRANTS: Equity warrant prem = exercise premium over current share price. Bond warrant ex yld = exercise yield at current warrant price. † Perpetual.

Closing prices on March 21.

Morgan Guaranty Trust Company of New York

ECU100,000,000

8½% Deposit Notes Due September 5, 1990

Morgan Guaranty Ltd

Banque Bruxelles Lambert S.A. — Generale Bank — Kredietbank International Group

Algemene Bank Nederland N.V.
Amro International Limited
Bank of Tokyo International Limited
Banque Nationale de Paris
Berliner Handels- und Frankfurter Bank
Commerzbank Aktiengesellschaft
Crédit Commercial de France
Crédit Lyonnais
Credit Suisse First Boston Limited
Deutsche Bank Capital Markets Limited
Dresdner Bank A.G.
Goldman Sachs International Corp.
IBJ International Limited
Merrill Lynch Capital Markets
Morgan Grenfell & Co. Limited
Morgan Stanley International
Nippon European Bank S.A. L.T.C.B. Group
Nomura International Limited
Orion Royal Bank Limited
Salomon Brothers International Limited
Société Générale
Swiss Bank Corporation International Limited
Union Bank of Switzerland (Securities) Limited
S.G. Warburg & Co. Ltd.
Westdeutsche Landesbank Girozentrale
Westpac Banking Corporation
Wood Gundy Inc.

Banca Commerciale Italiana
Banco di Roma
Bank Leu International Ltd.
Banque Internationale à Luxembourg S.A.
Bayerische Hypotheken- und Wechsel-Bank Aktiengesellschaft
Bear, Stearns International Limited
Crédit Industriel d'Alsace et de Lorraine
Credito Italiano
Daiwa Europe Limited
Enskilda Securities Skandinaviska Enskilda Limited
First Chicago Limited
Girozentrale und Bank der Österreichischen Sparkassen Aktiengesellschaft
Great Pacific Capital S.A.
Istituto Bancario San Paolo di Torino
Kleinwort, Benson Limited
Lloyds Merchant Bank Limited
Nederlandsche Middenstandsbank nv
Nederlandse Credietbank N.V.
The Nikko Securities Co., (Europe) Ltd.
Nippon Credit International (HK) Ltd.
Norddeutsche Landesbank Girozentrale
Paine Webber International
Rabobank Nederland
Sumitomo Finance International
The Taiyo Kobe Bank (Luxembourg) S.A.
Takugin International Bank (Europe) S.A.
Tokai International Limited
Toronto Dominion International Limited
Yamaichi International (Europe) Limited

5th September, 1985

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Morgan Guaranty Australia Limited

A.$60,000,000

13½% Guaranteed Notes Due 1990

Unconditionally guaranteed as to payment of principal and interest by

J. P. Morgan & Co. Incorporated

Morgan Guaranty Ltd
Orion Royal Bank Limited

Banque Bruxelles Lambert S.A.
Banque Paribas Capital Markets
Commerzbank Aktiengesellschaft
Credit Suisse First Boston Limited
Creditanstalt-Bankverein
Deutsche Bank Capital Markets Limited
Dresdner Bank Aktiengesellschaft
Girozentrale und Bank der Österreichischen Sparkassen Aktiengesellschaft
Hambros Bank Limited
Swiss Bank Corporation International Limited
Union Bank of Switzerland (Securities) Limited
Westpac Banking Corporation

Bayerische Hypotheken- und Wechsel-Bank Aktiengesellschaft
Berliner Bank Aktiengesellschaft
Berliner Handels- und Frankfurter Bank
Crédit Industriel d'Alsace et de Lorraine
Daiwa Europe Limited
Deutsche Girozentrale Deutsche Kommunalbank
Generale Bank
Hessische Landesbank -Girozentrale-
F.W. Holst & Co.
The Nikko Securities Co., (Europe) Ltd.
PaineWebber International
Sal. Oppenheim jr. & Cie.
Sparekassen SDS
United Overseas Bank
Vereins- und Westbank Aktiengesellschaft
S.G. Warburg & Co. Ltd.
Yamaichi International (Europe) Limited

20th September, 1985

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J.P. Morgan & Co. Incorporated

U.S. $100,000,000

10⅜% Subordinated Notes Due 1992

Morgan Guaranty Ltd

Algemene Bank Nederland N.V.
Amro International Limited
Bank of Tokyo International Limited
Banque Bruxelles Lambert S.A.
Banque Nationale de Paris
Commerzbank Aktiengesellschaft
Crédit Commercial de France
Crédit Lyonnais
Credit Suisse First Boston Limited
Deutsche Bank Capital Markets Limited
Dresdner Bank Aktiengesellschaft
Generale Bank
Goldman Sachs International Corp.
IBJ International Limited
LTCB International Limited
Merrill Lynch Capital Markets
Morgan Grenfell & Co. Limited
Morgan Stanley International
The Nikko Securities Co., (Europe) Ltd.
Nomura International Limited
Orion Royal Bank Limited
Salomon Brothers International Limited
Shearson Lehman Brothers International
Société Générale
Swiss Bank Corporation International Limited
Union Bank of Switzerland (Securities) Limited
S. G. Warburg & Co. Ltd.
Wood Gundy Inc.

15th November, 1985

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J.P. Morgan & Co. Incorporated

U.S. $200,000,000

Floating Rate Subordinated Notes Due 1997

Morgan Guaranty Ltd

Crédit Commercial de France
Credit Suisse First Boston Limited
Deutsche Bank Capital Markets Limited
Goldman Sachs International Corp.
Merrill Lynch Capital Markets
Morgan Stanley International
Salomon Brothers International Limited
Swiss Bank Corporation International
Union Bank of Switzerland (Securities) Limited

19th December, 1985

These securities are not registered under the Securities Act of 1933 and may not be offered or sold in, or to nationals or residents of, the United States. This announcement appears as a matter of record only.

Banks set to launch Ecu clearing system

BY DAVID MARSH IN PARIS

A CLEARING systef for international hank tranyactions in European currency units (Ecus) has heen hrought a step nearer following formal agreemeot by the Bank for International Settlements (BIS) to play the cetnral role in the mechanisra.

An accord signed in Paris between the Basle-based central bankerʒ' bank and a group of international banks promoting the Ecut envisages tha the system should start on a trial basis in October.

Six European hanks—from France, Belgium, Luxembourg the UK and Italy—will initially act as clearing hanks for the system, maintaining accou ts with the RIS. These will be adjusted every day to net out the claims and debits banks will build up with each other as a result of commercial Ecu transactions.

The banks are Banque Bruxelles Lambert, Credit Lyonnais, Generale Banque, Istituto Bancario San Paolo di Torino, the Brussels and Luxembourg arms of Kredietban and Lloyds of the UK. More hanks will become clearing members of the system from mid-1987.

West German banks, although members of the 58 hank-strong association set np to promote the Ecu, are not among the inirial clearing members. German banks are not at present allowed to take on Ecu liablities. with German residents wisihng to hold Ecu in practica opening accounts with the banks' subsidiaries in Luxembourg.

Mr Remi Gros, in charge of banking operations at the BIS, pointed out that the leeway for European depositors to bold Ecu accounts would grow if France and Italy eased their exchange controls.

Central hanks are playing a growing role in the private Ecu market, bolding about Ecu 2.5bn witb commercial banks. This is in addition to the Ecu 45bn which EEC central banks hold as a result of the reserve asset-swap mechanism of the European Monetary System.

Bankers attending the Paris signing ceremony on Friday pointed out, however, that the Ecu market lacks a lender of last resort. In contrast to markets in national currencies, no central bank stands as the ultimata guarantor of Ecu llquidity in the inter bank market.

The BIS clearing accounts will be adjusted every day at 1600 bours. The individual Ecu balances of banks taking part in the mechanism will be worked out through details of transactions relayed through the Swift international payments system.

The software system to allow Swift to carry out daily netting of banks' Ecu transactions will be delivered this July, with the system scheduled to start operating in January, 1987.

● The French market in treasury bills, which companies have been allowed to issue since last December. does not yet fulfil the conditions necessary for the security of operations and the protection of investors, the French Banks Association says, reports Reuter from Paris.

In lts latest bulletin the AFB says the back-up line of credit whicb companies must ohtain, equal to 95 per cent of the value of the issue, did not give subscribers an adequate guarantee of repayment or ensure their protection. There is also still a lack of information for investors ahout the issuing companies.

The AFB says companies are not required to puhlish half-year results until July this year. Moreover, there is still no rating agency, although such an agency is now being set up.

The AFB says the market should impose a minimum size for issues, for example FFr 150m ($22m), as at present they can be very small, sometimes just a single bill of FFr 5m.

Since their launch, a total FFr 17bn of treasury bills have been issued by around 65 borrowers. Earlier expectations suggested that issues would total between FFr 10bn and FFr 26bn for the whole of 1986.

Freddies sees potential gold mine area in OFS

BY KENNETH MARSTON, MINING EDITOR

A POTENTIAL new gold mining operation has been outlined in South Africa's Orange Free State on ground held hy Free State Development and Investment (Freddies).

The plan is to mine it as an extension of the large lease area now beld by Free State Consolidated Gold Mines (Freegold), the company recently formed out of tha merger of the Anglo American Corporation group's four OFS gold mines.

Freegold and Freddies will be responsible for 55 per cent and 45 per cent, respectively, of the net cost of developing the new area and will enjoy profits from its exploitation in the same proportions. Mings of the area is not expected to have any significant effect on the operational results of either Freegold or Freddies before 1990.

The ground covers the farms Jonkersrust 72 and Du Preezleger 324 in tbe Virginia district. A prospecting programme now completed hy President Brand (now part of Freegold) bas shown potential for the exploitation of both the Basal and Leader gold reefs in the nortb and the Leader in the south. Freddies will pay R2.5m ($1.2 or £806,000) to Freegold for prospecting expenditure carried out by President Brand.

Recovery at Minorco

BY OUR MINING EDITOR

MINERALS and Resources Corporation (Minorco), the South African Anglo American Corporation group's Bermuda-registered international investment arm, reports a recovery in half-year net earnings to $64.7m (£43.2m) from $22m; the total for the full year to last June was $104.6m

Minorco points out that its share of earnings of Phlbro Salomon ceased to be equity accounted following the sale of part of the holding last June, while the Inspiration Resources subsidiary continues to make losses.

For the full year, therefore, Minorco expects that earnings after equity accounting will be lower, but earnings from operations (which represent cash flow) will be "materially better." Meanwhile, the interim dividend is being maintained at 6 cents.

KLM share issue to go ahead this week

By Our Financial Staff

THE DUTCH Government will lose its majority stake in KLM, the national airline, this week ae the company issues new shares to fund expansion plans.

A complex reshuffle of the KLM share structure will cut the state's bolding from 54.8 per cent to 36.6 per cent, althougb the Government keeps a supervisory role and will have an option to buv back into the company if it wishes.

The share issua nn the London, Amsterdam and New Ynrk stock markets is to be based on Wednesday's closing price, will belp pay for them. The sale is of 15m shares, of which 6.75m will be sold in the US and the rest internationally.

KLM. which recently paid its first dividend for six years, expects net profits for the year ending March 1986 to be broadly in line with the Fl 290m ($115m) returned for 1984-85.

Munich Re growth

Munich Reinsurance expects a clear increase in turnover this year and next. The company, which is 25 per cent nwned by the Allianz group of West Germany, gave the forecast when confirming details of lts planned two-for-nine rights issue wbich will raise DM 200m ($89m).

Big first-half setback for South African engineer

BY JIM JONES IN JOHANNESBURG

SIGNIFICANT declines on construction activity and set-backs in international operations have sbarply cut the interim profit of Murray and Roberts, a South African engineering, construction and consumer goods group.

Half-year after-tax profit dropped to Rs 11.25m ($5.4m) from Rs 25.16m in the corresponding year-ago period. After-tax profits totalled Rs 50.32m for the year ended June, 1985.

The directors attribute the setback to the continuing decline in factory building, large costs of bolding resources for capital projects whlch have been delayed and a significant set-back in the foreign operations.

The company is pessimistic on immediate prospects saying that there is little prospect this year of ao increase in gross domestic fixed investment on whicb the group is heavily dependent.

First-balf earnings per share dropped to 42 cents from 74 cents and the interim dividend has been halved to 10 cents. Last year shareholders received a total dividend of 60 cents.

French Bank pays more

BY OUR JOHANNESBURG CORRESPONDENT

FRENCH BANK, the 55 per cent-owned South African subsidiary of Banque Indosuez, increased disclosed profit strongly in 1985 despite, as the directors say, the unfavourable political and economic climate.

French Bank does not disclose lts profits fully, choosing to take advantage of provisions of the Banks Act which permit it to disclose profits after tax and transfers to and from inner reserves.

The disclosed profit increased to R7.46m ($3.5m) last year from R2.93m. The board says that this was dne to substantial business growth, an improvement in margins and continued tight control.

Frencb Bank specialises in financing South Africa's agricultural exports.

Earnings per share rose to 71.77 cents from 28.15 cents and the dividend has been raised to 15 cents from 10 cents.

NEW INTERNATIONAL BOND ISSUES

Borrowers	Amount m.	Maturity	Av. life years	Coupon %	Price	Book Runner	Offer yield %
U.S. DOLLARS							
Thermedics Inc. §‡	30	1996	10	5½	100	Shearson Lehman Bros.	5.500
EIB (c)‡	200	1998	9½	8¼	99⅝	Merrill Lynch	8.472
Man. Hanover (b)†‡	150	1998	12	¼	100	CSFB	–
Victoria Public Auth. Fin. ‡	100	1996	16	8⅜	99¾	Morgan Stanley	8.413
Trusthouse Forte ‡	75	1991	9	8¼	100½	Morgan Guaranty	8.219
Unilever ‡	98	1993	7	7¾	101	UBS (Secs)	7.561
Continental (Bermuda) (d)†‡	250	2006	20	¼	100	Dean Witter Cap. Mkts.	–
Centrust Savings Bank ‡	100	1993	7	8	100	Banque Paribas	8.000
New Zealand (c)‡	200	2016	30	8¾	56.578	Merrill Lynch	8.983
Warner Lambert ‡	100	1996	10	8⅛	100	Morgan Guaranty	8.125
Inco ‡	100	1096	10	9¾	100	Morgan Stanley	9.750
American General ‡	150	1998	12	8½	100	CSFB	8.500
BNP (h)‡	100	1993	7	8½	100	Daiwa Europe	–
AUSTRALIAN DOLLARS							
C'wealth Bk Australia ‡	125	1991	5	0	55.45	Orion Royal Bank	12.517
American Express ‡	100	1991	5	0	65.50	Shearson Lehman Bros.	12.497
ANZ Banking Group ‡	100	1991	5	0	55.25	Orion Royal Bank	12.599
CIBC Australia ‡	150	1996	10	0	30.575	CIBC Ltd.	12.580
D-MARKS							
Series 0 Euro-DM Secs. ‡	517.8	2006	20	0	27.00	Commerzbank	6.760
Series 0 Euro-DM Secs. ‡	210	2611	25	0	22.00	Commerzbank	8.244
Series 0 Euro-DM Secs. ‡	917.8	2021	35	0	12.55	Commerzbank	6.100
Series 0 Euro-DM Secs. ‡	850	2026	40	0	9.70	Commerzbank	6.006
BATIF ‡	100	1996	16	6⅛	100	Commerzbank	6.125
SWISS FRANCS							
Itoham Food **¶‡	80	1991	–	1⅞	100	SBC	1.87
Tova Real Estate **¶‡	80	1991	–	2	100	Credit Suisse	2.000
Olivetti (Lux.) ¶‡	524.62	1996	–	3½	100	UBS	3.500
Council of Europe ‡	250	–		5½	100	Banca del Gottardo	–
Restaurant Seibu **¶	50	1991	–	(2½)	*	UBS	*
Swedish Export Cr. ‖‡	200	2011	–	7⅛	100	Chicorp Bk (Switz)	–
STERLING							
3i (f) ‡	60	1993	7	10	100½	S.G. Warburg	9.898
ICI ‡	100	2003	17	10	99½	Morgan Grenfell	10.063
SBC Finance ‡	75	1991	6	9¼	101¼	SBCI	8.929
Nat. Australia Bk ‡	50	1991	5	5½	100⅝	Samuel Montagu	6.338
MEPC ‡	75	2003	17	10¼	100	Morgan Grenfell	10.250
Brierley Inv. ‡	50	1661	5	10	100⅝	Lloyds M'chant Bk	8.981
ECUs							
Credit Foncier (e)†Φ‡	200	1096	10	5bp	100.05	Banque Paribas	–
Outokumpu Oy ‡	60	1996	10	8	100	Kansallis-Osake-P.	8.000
DANISH KRONER							
OKG ‡	250	1992	6	8¾	100	Svenska Int.	8.750
GUILDERS							
Amro Bank **‡	200	1991	9	9¼	100	Amro	6.250
EIB	300	1996	10	5½	*	Amro	*
YEN							
EDC ‡	20bn	1998	10	5.7	99.45	Daiwa Secs.	5.773
General Electric ‡	35bn	1993	7	5¾	101½	Daiwa Europe	5.486
Sumitomo Metal Ind. ‡	12bn	1096	10	8¼	100¾	Yamaichi Int. (Eur)	8.147
Sumitomo Metal Ind. (a)‖‡	15bn	1861	5	7	161	Nikko Secs. (Europe)	–
Denmark ‡	10bn	1991	5	5¾	101¼	Yamaichi Int. (Eur.)	5.458
Postipankki ‖‡	10bn	1996	10	8	101¼	Nomura Int.	7.742
Dansk Naturgas ‖‡	10bn	1991	5	7½	101½	Yamaichi Int. (Eur)	7.133
Eurofima ‖‡	15bn	1996	10	8	101¾	Nomura Int.	7.742
Bayerische Landesbk ‡	10bn	1661	5	5⅞	101¾	Nikko Secs. (Europe)	5.456

*Not yet priced. ‡ Final terms. ** Private placement. § Convertible. † Floating rate note. ¶ With equity warrants. Φ With bond warrants. ‖ Currency-linked. (a) Coupon payable in dollars. (b) ⅛ over 3m Libid. (c) Launched on US domestic market. (d) ¼ over 3m Libor. (e) 5bp over 3m Libor. (f) 40m additional tap. (g) Additional £25m tap. (h) First coupon payment in lump sum in fifth yr, thereafter annually. *Note: Yields are calculated on AIBD basis.*

INTL. APPOINTMENTS

Cappy steps up at AMC

BY OUR FINANCIAL STAFF

AMERICAN MOTORS Corporation, the fourth largest US carmaker—in which Renault, of France, holds a 46 per cent stake—has re-organised its management for the second time in three months, in moves which bring Mr Joseph E. Cappy into the chief executive role.

Mr Cappy, 51, joined AMC—which has been fighting financial problems in recent years—from Ford, and took up the post of chief operating officer, with responsibility for the company's day-to-day manufacturing, in December.

He steps up as Mr Jose J. Dedeurwaerder, 58, who was president and chief executive, moves to the post of vice chairman, while remaining chairman of the executive committee. The Cappy move had seemed to be in the offing since Renault strengthened its grip on AMC through the appointment of Mr Pierre Semerena, the Renault executive vice president, as chairman in December in place of Mr Paul Tippett—who cut his active involvement with AMC last year, becoming president of Springs Industries, the South Carolina textiles manufacturer.

Among the jobs changing as part of the AMC reshuffle is that of chief financial officer, with Mr John P. Tierney taking over from Mr Jean-Marc Lepeu on April 30, on Mr Lepeu's return to Renault after more than five years with AMC.

Mr Lepeu will, however, remain a director of AMC. Also from April 30, Mr Kenneth A. Lawton, the AMC treasurer, will add to the post the duties of vice president and Mr Joseph Chama Saour will become controller.

Chief financial officer for Sikorsky Aircraft

SIKORSKY AIRCRAFT of the US, the subsidiary of United Technologies, has appointed Mr H. Stephen Harvey chief financial officer. He was previously vice president-controller at United Technologies' Pratt and Whitney government products division.

Mr James R. Bowman has been appointed Sikorsky's media relations manager for research and development programmes.

* * *

ALLEGHENY International, of Pittsburgh (AI), has appointed *Dr Timothy L. Guzzle, Jr., 48,* president of its industrial and technology businesses worldwide. The move is part of a reorganising of the company's operating businesses into two groups, from four.

The group headed by Dr Guzzle covers all AI's non-consumer businesses, which previously constituted the industrial and special technologies groups. Dr Guzzle will also assist Mr Robert J. Buckley to pursue the companies policy of selling companies outside its key businesses.

Mr Oliver S. Travis, Jr., 60, becomes president of AI's consumer businesses worldwide, e field previously split into North American and international parts.

Mobil Oil international manager

By Dai Hayward in Wellington

MR LINDSAY FERGUSSON, chairman and managing director of Mobil Oil New Zealand, the offshoot of the second largest *US oil* concern, *has* been appointed manager, international planning, for Mobil Corporation, the parent, New York marketing and refiniery division.

The New Zealand-born Mr Fergusson joined the company in New Zealand in 1960. He has served in a number of senior management positions with Mobil in overseas countries; including that of general manager, planning Australia, managing director Malaysia Australia, and New Zealand area co-ordinator based in New York, and as chairman and managing director, Greece.

Mr Fergusson returned to New Zealand in 1983. He also serves as director or chairman of a number of organisations linked to Mobil in the oil and synthetic fuels areas. Mr Robin Marrett, at present chairman and managing director of Mobil Oil Hong Kong, will take over from Mr Fergusson in New Zealand.

Mr Marrett, an Australian, has also served in a number of senior management positions. In 1974 he was appointed general manager planning for Mobil Australia, and later—after serving in New York—he returned to Australia as manager public affairs. In 1981, he became manager, manufacturing planning in Mobile Europe, taking up his Hong Kong position in 1983.

Broader base brings change at Air NZ

By Our Financial Staff

AIR NEW ZEALAND, the Government - owned international and domestic carrier, has appointed two general managers to take charge of the day-to-day running of basic airline activities.

Mr Norman Macfarlane assumes responsibility for marketing and administration, and Mr Jim McCrea that for airline operations and personnel.

The object of the move, the airline says, is to allow Mr Norman Geary, the managing director "to devote more time" to the group's "broadened operating base"

The airline recently acquired 50 per cent of Jetset Tours, and has increased its holding in the Mount Cook group to 77 per cent. Mr Geary becomes chairman of Mount Gook, which operates a tourist airline, coach, road haulage and off-shore scenic boat services, as well as skifields.

Air New Zealand also owns Safe Air, the cargo airline and has hotel and accommodation interests.

Chairman for Schroders US

SCHRODERS INC, the US merchant banking subsidiary of Schroders of the UK, has elected Mr Alva O. Way, chairman, on the retirement from the post of Mr John T. Connor.

Mr Connor remains a director of Schroders Inc and of J. Henry Schroder Bank and Trust Company—in which the Industrial Bank of Japan has taken a 51 per cent stake, with Schroders Inc retainnig 49 per cent. He also continues as a director of the London-based parent.

President of Inco Indonesia

INCO, the Toronto-based nickel producer, has announced the appointment of Mr William P. Glement president and managing director of PT International Nickel Indooesia, from April 7.

The subsidiary produces a semi-refined product sold largely to the Japanese market.

Mr Glement takes over from Mr James D. Guiry, who will move to Toronto as a vice president, with effect from May 1. Mr Lorne Ames has taken Mr Clement's place as president of Inco's Manitoba division.

Hang Lung head

HANG LUNG Development, the Hong Kong property company, has elected Thomas Gben chairman, in successton to his brother, Chan Tseng Hsi, who died this month.

BASE LENDING RATES

Bank	Rate
ABN Bank	11½%
Allied Dunbar & Co.	11½%
Allied Irish Bank	11½%
American Express Bk.	11½%
Amro Bank	11½%
Henry Ansbacher	11½%
Associates Cap. Corp.	11½%
Banco de Bilbao	11½%
Bank Hapoalim	11½%
Bank Leumi (UK)	11½%
Bank Credit & Comm.	11½%
Bank of Ireland	11½%
Bank of Cyprus	11½%
Bank of India	11½%
Bank of Scotland	11½%
Banque Belge Ltd.	11½%
Barclays Bank	11½%
Beneficial Trust Ltd	13½%
Brit. Bank of Mid. East	11½%
■ Brown Shipley	11½%
CL Bank Nederland	11½%
Canada Permanent	11½%
Cayzer Ltd.	11½%
Cedar Holdings	13 %
■ Charterhouse Japhet	11½%
Citibank NA	11½%
Citibank Savings	¶12½%
City Merchants Bank	11½%
Clydesdale Bank	11½%
C. E. Coates & Co. Ltd.	13 %
Comm. Bk. N. East	11½%
Consolidated Credits	12½%
Continental Trust Ltd.	11½%
Co-operative Bank	*11½%
The Cyprus Popular Bk	11½%
Duncan Lawrie	11½%
E. T. Trust	13 %
Exeter Trust Ltd.	12 %
Financial & Gen. Sec.	11½%
First Nat. Fin. Corp	13½%
First Nat. Sec. Ltd.	13½%
■ Robert Fleming & Co.	11½%
Robert Fraser & Ptrs.	12½%
Grindlays Bank	‡11½%
■ Guinness Mahon	11½%
■ Hambros Bank	11½%
Heritable & Gen. Trust	11½%
■ Hill Samuel	§11½%
C. Hoare & Co.	11½%
Hongkong & Shanghai	11½%
Johnson Matthey Bkrs.	11½%
Knowsley & Co. Ltd.	12 %
Lloyds Bank	11½%
Edward Manson & Co.	12½%
Meghraj & Sons Ltd	11½%
Midland Bank	11½%
■ Morgan Grenfell	11½%
Mount Credit Corp Ltd.	11½%
National Bk. of Kuwait	11½%
National Girobank	11½%
National Westminster	11½%
Northern Bank Ltd.	11½%
Norwich Gen. Trust	11½%
Peoples Trust	12½%
PK Finans. Intl. (UK)	13 %
Provincial Trust Ltd.	12½%
R. Raphael & Sons	11½%
Roxburghe Guarantee	13 %
Royal Bank of Scotland	11½%
Royal Trust Co. Canada	11½%
Standard Chartered	11½%
TCB	11½%
Trustee Savings Bank	11½%
United Bank of Kuwait	11½%
United Mizrahi Bank	11½%
Westpac Banking Corp.	11½%
Whiteaway Laidlaw	12 %
Yorkshire Bank	11½%

■ Members of the Accepting Houses Committee.

* 7-day deposits 7.88%, 1-month 8.03%. Top Tier—£2,500+ at 3 months notice 10.72%. At call when £10,000+ remains deposited.

‡ Call deposits £1,000 and over 8% gross.

¶ Mortgage base rate.

§ Demand dep. 7.65%. Mortgage 13%.

PARLIAMENTARY DIARY

Main business in Commons and Lords

TODAY

Commons: Conclusion of Budget debete. Consideration of Lords amendment to the Museum of London Bill. Motion on Rednodant Mineworkers and Coocessionary Coal (Payments Schemes) Order and Coal Industry (Limit of Payments in Respect of Redundant Mineworkers) Order.

Lords: Drug Trafficking Offences Bill, Committee. Professions Supplementary to Medicine (Winding np of Remedial Gymnasts Board) Order of Gouncil 1986, Motion for approval. Legal Aid (Scotland) Bill, Committee. Marriage (Prohibited Degrees of Relationship) Bill, Third Reading.

Select Committees: Home Affairs: Sub-committee oo Race Relations and Immigration — Subject: Bangladeshis in Britain. Witness: Sir George Yonng MP, Environment Under Secretary (Room 6, 4.30 pm). Foreign Affairs — Subject: Overseas Development Administratioo Bilateral Gountry Programmes. Witness: ODA (Room 15, 5 pm).

TOMORROW

Commons: Gas Bill, Third Reading. Motion for Easter Adjournment. Consideration of Lords amendments to the Local Government Bill.

Lords: Law Reform (Parent and Child) (Scotland) Bill, Third Reading. Peterhead Harbours (South Bay Development) Order Gonfirmation Bill, Third Reading. Education Bill, Committee.

Select Committees: Education, Science and Arts — Subject: Achievement in Primary Schools. Witness: Sir Keith Joseph, Education Secretary (Room 15, 10.45 am). Treasury and Givil Service — Subject: The Budget. Witnesses: Treasury officials (Room 15, 4.45 pm).

WEDNESDAY

Commons: Debate on MPs' representations on immigration cases, on en adjournment motion. This could he changed to a debate on British Leyland.

Lords: Debate on the rates burden, and the case for a fairer and more equitable system. Unstarred question on the provision for multi-handicapped adults within the community.

Select Committees: Energy — Subject: Coal Industry. Witnesses: Arthur Scargill, Peter Heathfield and NUM officials; officials from Nacods (Room 8, 10.30 am). Scottish Affairs — Subject: Hospital Provision. Witnesses: Scots Home and Health Department officials (Room 19, 10.30 am). Social Services — Subject: Prison medical service. Witness: Lord Glenarthur, Home Office Under Secretary (Room 21, 3.30 pm). Transport — Subject: Financing of Rail Services. Witnesses: Transport Department officials (Room 17 4.15 pm). Treasury and Civil Service—Subject: The Bndget. Witness: Mr Nigel Lawson, Chancellor of the Exchequer (Room 16, 4.45 pm).

THURSDAY

Commons: House will adjourn et 3.30 pm for the Easter Recess until Tuesday April 8.

Charles Batchelor on WPP's first test of its grand strategy

The team has yet to prove itself

ONE OF the most intriguing corporate transformations the City bas seen recently is under way at WPP Group, a small Kent-based manufacturer of supermarket trolleys and shopping baskets.

After 15 fairly uneventful, if reasonably prosperous, years Wire & Plastic Products, as WPP used to be known, was transformed last May into the darling of the stock market. Its sbares bava risen from 44p to 445p in just 10 months.

WPP owed its audden emergence into the spotlight to the arrival of Mr Martin Sorrell, finance director of Saatchi & Saatchi, and Mr Preston Rabl, a partner of stockbrokers Henderson Crosthwaite, as large shareholders and directors.

It was not obovious at first what Sorrell and Rabl planned to do with WPP, but it is now becoming clear that they intended to add a sales promotion arm to the company's existing manufacturing business. While the promotion side is built up, wire bending and plastic forming will, they hope, continue to turn in £250,000-£350,000 pretax profils a year.

The announcement ten days ago that WPP was making an £8m takeover bid for Promotions House (PH), a listed sales promotion company, beralded tbe most ambitious move so far hy tbe Sorrell5Babl team.

If it succeeds it will give WPP a useful base from which to launcb its assault on the rapidly growing market for sales promotion and employee incentive scbemes.

In spite of its relatively low profile the sales promotion market is estimated to be wortb about £6bn compared with the £4.5bn vslue attributed to the better known world of advertising.

Sales promotion ranges from a "5p off your next purchase" coupon on a packet of toothpaste to an all-expenses-paid trip to the Caribbean for a company'a ton salesman and his wife.

WPP seems guaranteed a tough figbt in the first major test of its grand strategy. Mr Alan Taylor, PH's managing director, dismisses WPP as a "piecemeal operation" and Sorrell and Rabl as lacking in expertise in sales promotion. He tbreatens mass defections of staff if the bid goes through.

Hugh Routledge

Mr Martin Sorrell, finance director of Saatchi & Saatchi (left) and Mr Preston Rabl, partner of Henderson Crosthwaite

The dramatic increase in WPP's share price owes much to the reputation built up by Sorrell over the past eight years at Saatchi. Sorrell's financial skills guided an ambitious acquisition programme which transformed the small British company into a worldwide advertising and marketing group.

A formal announcement is expected shortly to the effect that Sorrell, who is 41, is to devote himself fully to the expansion of WPP. He will remain a director of Saatchi but will relinquish his financial responsibilities. This compromise is intended to maintain Sorrell's links with Saatchi, but at the same time give him a chance to fulfil a long beld ambition to develop his own business.

He is partnered in his ambitions by Rabl, 37, an accountant by training, who he first met over a business lunch some three years ago.

Rather than start from scratch the two men set ont to find a company which could act as a vehicle for their ambitions. They looked for a USM-quoted group offering a combination of good earnings, competent management and a relatively simple product range.

After casting around for several months they lighted on Wire & Plastic Products, which bad the bonus of a full stock market listing.

Last May, WPP issued 1.36m shares to Sorrell and Rabl giving them a 27 per cent stake in its equity. WPP's share price immediately leaped and was given an additional boost in December wben Saatchi and Saatchi took up a 10 per cent stake.

WPP began to make modest acquisitions, buying VAP Group, a small graphics company prodncing consumer user guides for companies such as Austin Rover and Black and Decker.

Ealier this month WPP added P & L International Vacationers, a consultancy organising conferences and incentive travel schemes. Both deals were financed by the lasue of WPP's newly-fashionabls sbares.

Tha PH bid will, if successful, give WPP its first sizeable braakthrough into the promotions market. PH operates Travelcash, which supplies travel vouchers on a range of goods from soap powders to breakfast cereals, and Bonusbond, which runs an incentive voucher schema for sales staff.

PH made a pre-tax profit of £231,000 on turnover of £5.6m in the first half of 1985.

Desplte a reasonable profits record PH bas had to live with a lower market rating than its USM-listed rlvals since it joined that market 2½ years ago. Its shares have been weighed down by a series of property deals which left shareholders wondering where it was going. Nor have investors been impressed by the failure of most board members to retain any direct shareholding in ths company.

Mr Taylor says the property deals were in response to City pressure for PH to back its cash with assets. But institutionsl displeasure is evident from the fact that three major institutions with a combined 15 per cent holding are backing the WPP bid.

Taylor claims that Sorrell has a conflict of interest, acting for WPP while still a director of Saatchi, which also bas sales promotion interests. Sorrell denies this charge pointing out that Saatchi is in a different field of promotion.

Taylor may be on firmer ground attacking the vulnerability of WPP's shares to a change in stock market sentiment. There is, after all, no cash alternative.

"It is bard for me to justify our share price," concedes Rabl. "But the institutions believe we are going to build a very large services business."

Nevertheless, the WPP sbare price owes much to hope and the magic of the Saatchi name. Sorrell and Rabl hsve yet to demonstrate their ability to build and manage an independent business.

Mr Virani pumps more into Control Securities

By Lionel Barber

MR NAZMU VIRANI is to increase his interest in Control Securities, the property investment and dealing group which be chairs, after Control announced a mncb heavier net loss of £2.1m for the six months ended September 30 1985, compared with £395,000.

Mr Virani's own company, Virani Gronp UK, is to sell some petrol stations, retail and industrial premises to Control, free of borrowings, for £3.62m. These properties have been valned independently at £3.9m. In return, Virani will receive 24.1m new sbares in Control.

Virani Group and Zelva Anstalt (in which Mr Virani has a beneficial interest) currently hold almost 27 per cent of Control. After the deal, the combined bolding will rise to 45.8 per cent, taking into account some 6m shares conditionally placed with institutional investors at 15p per share.

Tbe Takeover Panel has agreed to waive tbe requirement for Virani and Zelda to make a general offer for Control, subject to the deal being approved by Control's independent shareboIders.

The property/shares swap follows losses in many areas of Control's diverse activities, whicb are blamed on the previous management. Mr Virani became chairman only half way through its period. The current level of gearing has meant that interest charges exceed current rents receivable, bnt the rationalisation will help cut gearing.

Ascat Holdings and Ellesmere Port property groups bongbt in tbe late financial year contributed £324,000 to the post tax loss. Investment stocks, primarily South African mining stocks, have been sold off at a loss of £300,000.

In addition, there are exceptional administration expenses af around £300,000 and a translation loss on unmatched foreign currency borrowings of £241,000. There is also a provision of £700,000 for the fall in value in the gronp's property portfolio.

Strong recovery boosts Bestobell to over £5m

PRE-TAX profits of Bestobel, the specialist engineering group, picked up from the previous year's depressed £471,000 to £5.09m for 1985, and the board says recovery is now well under way.

The result was in line with the 1983 profits level, but fell short of the record £8.71m in 1982. Last year's sharp decline was largely because of provisions against further potential losses on an Anstralian powcr station contract.

The company reports that borrowings fell from £26.6m to £13.7m last year, as a result of stringent control of working cspital expenditure and reductions in the cost base helped by exchange rate movements.

Foreign exchange affected group sales, borrowings and reserves but had only a small affect on group profit.

Following tbe nmission nf tbe interim dividend and last year's final, there is a payment of 6p net (5.7p interim in 1984). Stated earnings per 25p sbare on a net basis were 19.8p (10.3p loss).

Group sales slipped from £150.09m to £141.48m. A geographical breakdown of operating profits of £7.84m (£3.31m) shows (in £000s): UK £4,197 (£4,831); Europe £620 (£310); North America £1,889 (£666); Australia and New Zealand £926 (£1,034); South East Asia £271 (£658); South Africa losses £164 (£1,024); Central Africa £104 (£488). An exceptional debit last time took £3.65m.

The board says excellent results were achieved by companies in the US and continental Western Europe. Against this, some UK operations were significantly affected by restructuring.

Looking shead, the board says the priorities of further improving tha company's financial position and maximising profitability will be vigorously pursued.

McKechnie claims Newman Tonks reacted hysterically

BY DAVID GOODHART

McKechnie Brothers yesterday claimed that its neighbouring Midlands manufacturer, Newman Tonks, had reacted "hysterically" in so bastily rejecting McKechnie's final £65m bid.

Dr Jim Butler, McKecbnie's chairman, mada the comment in the offer document for its final bid, wbicb also included the most detailed claims to date of the Industrial logic from a joint company wbicb would be capitalised at £170m.

He wrote: "The merger will create a group producing the most comprebensive range of srchitectural hardware in the UK."

The finely balanced and keenly fought bid battle has revolved around the Issue nf logic. Newman has stressed that its "nicba" branded hardware products, sold mainly to the buildiog trade, have little in common with McKechnie's metals business.

However, McKecbnie said yesterday that its own growing houseware brands sucb as Crayonne and Geeco had given it the retail experience to transform Newman's loss-making DIY subsidiary Rothley Brass. More broadly it said that its ranges would complement the hardware products sold by Newman to central and local government.

McKechnie attacks Newman for failing to grow faster in overseas markets and claims that its turnover grew hy only 3 per cent in the US in 1985.

The offer, says Dr Butler, is 53 per cent over the pre-offer price and will give Newman's sbareholders 37 per cent of the combioed market value compared with only 33 per cent of forecast earnings.

The offer closes on April 6. Mr Edward Barnes, Newman's chief executive, said closing on a Sunday showed a marked lsck of confidence in winning. "We are confident but not complacent about seeing them off," he said.

Last Friday Newman's annual meeting overwhelmingly backed the board's resistance.

Trafford margins suffer

Although turnover improved by nearly 16 per cent from £2.66m to £3.08m, pre-tax profits of Trafford Park Estates, Mancbester-based property company, rose just £22,000 to £1.32m in the half year ending December 1985.

The directors are lifting the interim dividend from 3.75p to 4p. A total of 11.5p was paid in 1984-85 when profits amounted to £2.56m.

After tax of £459,000 (£477,000) and minorities of £24,000 (£41,000), earnings per sbare are sbown up from 7.29p to 7.72p.

Spong placing raises £1.26m

Spong Holdings, the housewares distributor, is raising £1.26m through a placing of 1.5m 7 per cent convertible cumulative redeemable preference shares at par. Spong last month reached agreement to take over Roland Gaunt, a clothes manufacturer.

British Empire

Chase Corporation, a quoted New Zealand investment company, has taken a 14.99 per cent stake (15.2m shares) in British Empire Securities and General Trust. D. H. Caspery, a director of Britisb Empire, has sold 4.4m shares.

FT Share Information

The following securities have been added to the Share Information Services: Chemring Gronp Conv Cum Red Preferred Ord (Section: Engineering); Highgate & Job Group (Industrials); Microsystems Group (Electricals).

Tate takes stake in Berisford over 8%

Tate & Lyle, the UK sugar refiner, has further raised its stake in S & W Berisford, the sugar and commodity trading group, to 8.2 per cent.

Tate has been buying Berisford shares steadily this week in order to build a position alongside Ferruzzi, the Italian food and agricultural gronp (9 per cent) and Hillsdown Holdings, the UK food manufacturer (19.5 per cent).

BOARD MEETINGS

TODAY

Interims:—Fleming Japanese Investment Trust, James Halstead, Magnetic Materials, Murray Venture, Trafford Park Estates.

Finals:—Associated Steel Distributors, Barrow Hepburn, Brent Chemicals International, Charterhall North America, Early's of Witney, Freemans, Frogmore Estates, G.T. Dollar Fund, Garton Engineering, Grampian Holdings, Hall Engineering, Hickson International, IMI, Klearfold, Lamont, Palma, Petronol, Sovereign Oil and Gas, Spring Ram, Steetley, Technical Component Industries, George Wimpey.

FUTURE DATES

Interims:—

Caskot (S.)	Apr 24
Glaxo	Apr 15
Pifco	Mar 26
Scottish Metropolitan Property	Apr 21
Town Centre Securities	Mar 27
Trans-Oceanic Trust	Mar 27

Finals:—

AMEC	Apr 2
Chan Foulks Lynch	Mar 26
Comcap	Mar 25
Croda International	Mar 27
Downlebrae	Mar 27
Edinburgh Investment Trust	Apr 21
Glynwed International	Apr 7
Lyon and Lyon	Mar 28
Ocean Transport and Trading	Apr 2
Plon Invest	Mar 27
Stag Furniture	Mar 26
Sun Life Assurance	Apr 2
Telfos	Mar 25
Wood (Arthur) (Longport)	Mar 26

Trinity up after slow start

AFTER A slow start, strong trading from Trinity International Holdings' papermaking and packaging companies in 1985 and good dollar earnings from the North American newspapers pushed pre-tax profits ahead of the previous year.

On turnover up by 9 per cent from £76.33m to £83.37m taxabla profits came out slightiy up at £6.69m against £6.55m. From earnings per 50p share of 39.3p (34.9p), the directors are proposing a final payment of 10.8p (8p) making a total for the year of 15p against last year's 12.2p.

The directors say the recovery owes more to management and capital investment than to trading conditions.

A breakdown of trading profits shows that UK papermaking and packaging improved from £3.21m to £3.73m, North American newspapers £2.78m (£2.85m), and UK newspapers £869,000 (£1.03m).

Directors says that UK newspapers, based on Merseyside, including the Liverpool Daily Post and Ecbo, were affected by the local economic problems.

They add with no improvement foreseeable acceptable profits can only be achieved by cutting costs.

The strong pound cut pre-tax profits by £100,000 following the currency gains of £300,000 in 1984.

The tax charge was £2.29m (£2.63m) and there was an extraordinary credit of £108,000 (£845,000) being the proceeds of the sale of the second trancbe of Reuter "B" share, less rationalisation costs at the Liverpool newspapers.

The present year has started satisfactorily and the directors say tbat there are signs of 1985 profits being exceeded.

Refuge profits rise 17%

A NEAR 17 per cent rise in pretax profits from £6.34m to £7.4m in 1985 is reported by Refuge Gronp. After tax profits rose 16 per cent from £6m to £6.97m, with earnings per share up from 12.51p to 14.53p.

The dividend for the year is lifted 17 per cent from 11.75p to 13.75p.

Profit from the ordinary life business of the main subsidiary, Refuge Assurance, increased 16 per cent from £2.35m to £2.72m and that from industrial business by almost 10 per cent from £3.03m to £3.33m. Investment income showed a useful 26 per cent rise from £1.06m to £1.34m.

The group reports a steady increase in life premium income in 1985, with ordinary business income up nearly 10 per cent to £51.98m.

Cornhill falls to £11m

A drop of one-fifth in pre-tax profits from £14.08m to £11.02m in 1985 is reported by Cornhill Insurance Gronp, a company in the process of being acquired by Allianz Group of West Germany from the conglomerate BTR.

Underwriting losses on its general insurance business rose from £14.3m to £20.75m during the year on premium income up nearly 15 per cent from £200m to £230m. Investment income rose by more than 8 per cent from £19.8m to £21.5m.

In the UK the motor account worsened despite premium increases, from rising claim numbers, costs rising more rapidly than anticipated and severe competition.

SHARE STAKES

Cbanges in company share stakes announced over the past week include:

Tottenham Hotspur—Mr Isadore Brown bas increased his shareholding from 560,000 to 655,000 ordinary (7.14 per cent).

Crown Intntl Productions—Enterprise Television (wholly owned by Crown director, Mike Mansfield) has increased its holding by 100,000 shares, to 1.4m (14.9 per ceot).

British Home Stores—Director Sir Maurice Hodgson sold 87,484 ordinary at 322p on March 14 and on same day director C. B. Williams sold 44,923 also at 322p.

Plysu — Director M. J. Summerlin disposed of 10,000 sbares at 220p and holds 581,551 (2.4 per cent).

United Spring and Steel Group — Dlrector R. Fenwick-Smith purcbased 50,000 shares and now holds 1,685,000 (12.43 per cent).

Tesco—Director F. R. Kreysa sold 10,000 shares at 347p on March 20th.

Henry Ansbacher Holdings—Director C. B. Longbottom sold 350,000 shares on March 17tb and bolds 319,981.

Wagon Industrial Holdings—Director P. Kinnear sold 25,000 ordinary on March 14.

Multitone — Director I. H. Karten purchased 25,000 ordinary and now holds 3,117,254, and I. H. Karten Charitable Trust has purchased 25,000 ordinary and holds 3,099,750.

A. and J. Mucklow Gronp—Director T. Mucklow disposed of 250,000 ordinary at 95p through Tellin (Bermuda) and holds 1,254,504 shares (2.40 per cent).

MAI—Director C. R. Hollick, on March 17, sold 14,000 ordinary shares.

Crest Nicholson—Director J. C. Litler, on Marcb 12 sold 10,000 shares at 158p. Director G. R. Fox sold 11,192.

Clougau Gold Mines—Director D. Briggs, has sold 200,800 ordinary shares and holds 622,600.

FINANCIAL TIMES STOCK INDICES

	Mar. 21	Mar. 20	Mar. 19	Mar. 18	Mar. 17	Mar. 14	1985/86 High	1985/86 Low	Since Compilation High	Since Compilation Low
Government Secs.	91.24	91.09	90.03	88.92	88.63	88.67	91.24	78.02	127.4	49.18
Fixed Interest	95.03	94.30	93.69	93.08	92.95	92.90	95.03	83.17	150.4	50.53
Ordinary	1412.2	1415.1	1389.8	1374.6	1357.7	1360.7	1415.1	911.0	1416.1	49.4
Gold Mines	312.0	310.8	318.1	317.4	318.3	313.7	632.9	257.9	734.7	43.5
FT-Act All-Share	820.18	819.66	807.79	799.32	791.40	791.05	820.18	581.88	820.18	61.92
FT-SE100	1688.3	1690.1	1669.8	1644.4	1622.6	1624.4	1690.1	1206.1	1690.1	986.9

FINANCIAL TIMES SURVEY
Monday March 24 1986

Electronic Financial Services

Financial information in all its forms is the driving force of the electronic database industry. In the US alone, where several thousand services are now available, industry revenues could soar to $10bn a year by the end of the decade.

An information revolution

BY RAYMOND SNODDY

ELECTRONIC information services are coming of age. An area once dominated by obscure scientific and technological bibliographies on American databases, is now rapidly showing signs of greater business maturity, growing diversity and customer acceptance.

New databases are springing up all the time, although many of those already in existence are finding it a struggle to make mooey.

Major players see the potential for growth and are increasingly being attracted to a sectci where only smaller but enthusiastic entrepreneurs once reigned supreme.

Last month, British Telecom, potentially one of the largest players of all, announced it would launch a computer-based news and company information service by the end of April.

Entry into the sector is being sought, too, by Citicorp, the US bank, which last week announced a $680m bid for Quotron, a Los Angeles-based supplier of stock quotations and data services to 80,000 customer terminals.

The day before the BT announcement, the Financial Times held a press conference to announce the setting up of its eighth electronic business service — McCarthy Online, offering a daily record of the full text of articles from 58 business publications from around the world, through most existing desktop terminals.

At the same time as new ventures are opening up, older ones such as Prestel, Britain's pioneering viewdata system, is now finally operating at a profit after a seven-year struggle.

Teletext, a system originally developed to provide subtitles on television programmes for the deaf and hard-of-hearing, is being seen as having considerable potential for broadcasting time-sensitive information to private clients.

Optimism

One of the factors behind the growing optimism in information services is the increased penetration of micro-computers in every aspect of business and professional life. More people, particularly at middle management level, are becoming more comfortable with screen-based information. They now have the computing power available at their desks—not only to call up, but also to manipulate, electronic information.

Databases are moving out of the hands of librarians and researchers straight on to the desks of "end-users." The pattern emerging in the US suggests that the growth in the use of electronic information is in the process of changing the way not only business customers but also private individuals obtain an increasing proportion of their information.

According to some estimates there are already several thousand different databases in the US and revenues which totalled $1.2bn two years ago are projected to rise to $10bn by the end of the decade.

Some companies, such as H. & R. Block's Compuserve Information Service, has increased the number of subscribers by *nearly 50 per cent.*

IDP Report, a database newsletter, found that 30 selected on-line services had an average growth rate of 32 per cent last year.

More and more companies and individuals are accessing databases for information on everything from legal precedents and medical research to *credit-checking. Information* World Review, a new traditional monthly newspaper for the information industry, even reports that a UN agency has set up a pilot project for a database on the environment covering everything from the habitats of elephants to the effects of new dam construction.

Financial information in all its forms, is, however, still the driving force of the industry. Information systems are already sophisticated enough to supplement, if not yet entirely replace, physical market floors for trading.

Two well-known examples are the Reuter foreign exchange dealing system, where deals are not only struck virtually instantaneously on screen, while a paper record is supplied almost as quickly, and NASDAQ, the over-the-counter exchange in the US.

A more dramatic example is the completely automated on-line futures exchange, Intex, which is based in Bermuda and enables dealers to trade in futures by keying instructions into their terminals wherever they are and watch markets move on their video display terminals.

In the UK the market for financial services is dominated by Reuter which provides data to around 54,000 screens and 6,300 teleprinters worldwide. This represents more than 17,000 subscribers to business information services.

Reuter emerged at the top in a recent survey of dealers and financial systems by First Market Intelligence, followed by the AP Dow Jones service Telerate aod Topic. Significantly, all three are suppliers of real-time price information.

Although such specialists as dealers seem to have a boundless appetite for screen-based information, this has led to a proliferation of terminals on individual desks.

Reuters, through its purchase of Rich Inc of Illinois, may be able to tackle this problem. The Rich Composite Information System allows any information in the system to be displayed on Screens under the control of a single keyboard.

The UK business database market is dwarfed by the real-time financial systems. But according to a new report, How to Market Online Business Information to End-Users, it is now worth £20m a year and is growing at the rate of 50 per cent annually. The report argues that apart from the increased use of micro-compnters in business, the growth is coming because of the stream of new database services and a growing appreciation of their potential.

Costs

About 10,000 customers are nsing databases such as Textline and Predicasts and average users are spending £150 to £200 a month to retrieve information on company accounts or to research information in newspapers and trade magazines.

The report warns that the database industry has to bear in mind the fact that the product must 'fit the user' and that both the product and the marketing effort must be adequate to ensure a profitable operation.

The author of the report, Paul Ormerod, notea the entry into the field of major European information publisbers, but he does not believe they will necessarily have it all their own way.

"While the odds in this situation favour the larger information-producer and provider, and probably the integrated business, this is unlikely to discourage the appearance of many new products and services created by enterprising people who have identified gaps in the market," be argues.

Apart from the trend towards more fully-integrated electronic information businesses, changes in the technology itself could have a dramatic effect on the future of the industry. Many specialists believe the future belongs to "relational databases," where information is stored in a way that each piece of information can be analysed in a variety of different ways, depending on the customer's individual needs.

Furthermore, Dun & Bradstreet, the credit-management organisation, has come up with a way of making their service more accessible. The company plans to launch "DunsVoice," a credit-checking service, using computer-generated speech, to answer telephone inquiries.

"How to Market Online Business Information to End Users;" Paul Ormerod, Headland Press, Freepost 22, London EC1A 7QT; price £295.

● Pictured left: the dealing room at Rowak in Finsbury Avenue, London. Financial specialists are now spoilt for choice as regards the growing number of on-line information services available to them.

Picture: Roger Taylor

ON OTHER PAGES

Reuters alone provides financial information to 54,000 screens worldwide.

Dealers spoilt for choice

On-line information

ALAN CANE

DEALERS and other financial specialists are spoilt for choice of on-line *information services* in London today. From a mere handful of services before 1980, there are now 300 different services available.

Reuters dominates the field in the UK. A recent survey of dealers and financial information systems carried out by First Market Intelligence (FMI) shows Reuters at the top of the information providers' leegue table, followed by the AP Dow Jones service Telerate, Topic and Datastream, in that order.

Next came Finsbury Data Services while ADP Comtrend, Dialog and Pergamon Infoline shered sixth place. The last two places in the top 10 were filled by Quotron and Dun & Bradstreet.

To be fair, the FMI survey measured the popularity of the services used by customers and *not* the *size or significance* of the information providers themselves.

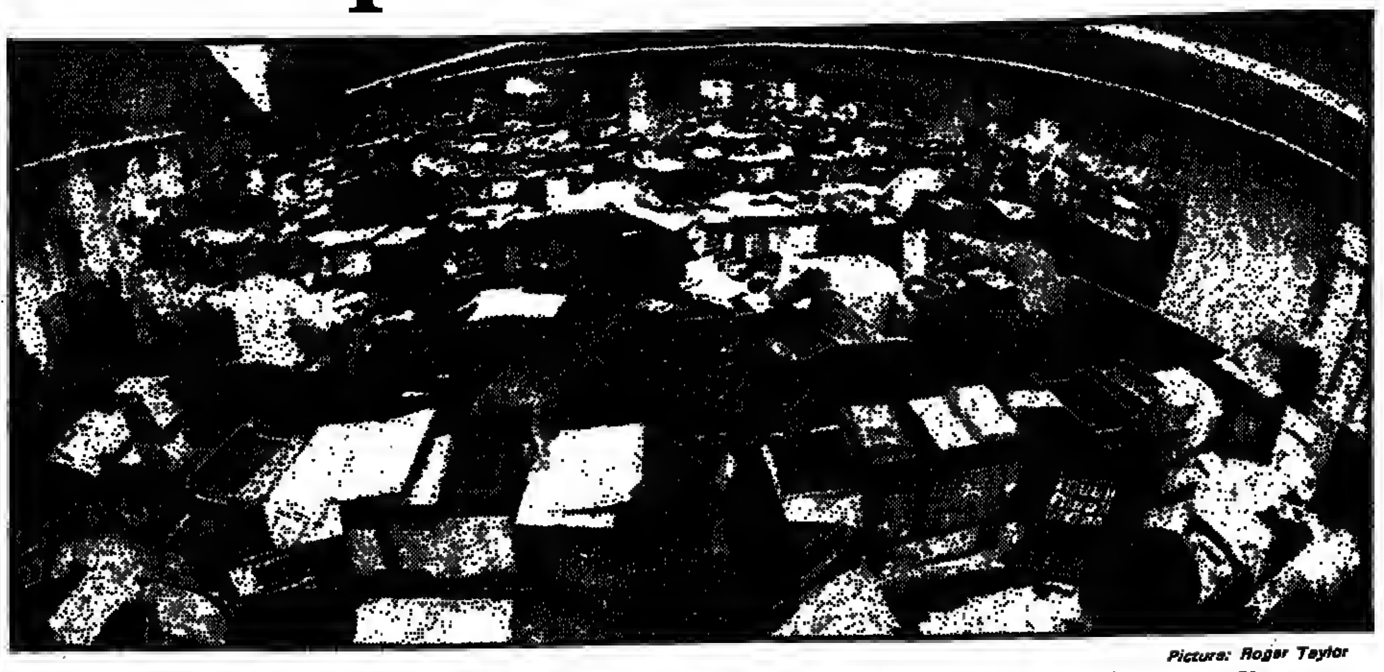
Extel, for example, did not appear in the top ten although it is certainly one of the major companies in the field; its information, however, is distributed to e number of other service suppliers as well as appearing on its own Exshare service. It shares the marketing and prodnction of Exshare with Reuters.

The top three companies in the league, Reuters, Telerate and Topic all provide real-tima price information.

FMI's survey discovered, perbaps not surprisingly, that dealers are active and heavy users of on-line information. They do, bowever, prefer to stay with establisbed services such as Reuters, Telerete and Topic because:

- These services have proved themselves to be fast in the provision of data.
- Newer services have yet to establish a track record of accuracy or reliability.
- The addition of a new service usually involves the addition of another piece of hardware on an already cluttered desk.

But they are realists. Mr Nigel Killick of FMI says: "Dealers like money. No matter what was on offer—even the most ridiculous idea—if you *could convince them that it* would help them in their dealing, they would eccept it."



Picture: Roger Taylor

London dealers can now choose from a range of 300 different on-line services. Above: The new dealing room at National Westminster Bank in the City.

The report also notes: "Our research has shown many cases where Reuters is not used in isoletion for foreign exchange, but works alongside Telerate. For those larger institutions which possess the resources to cover all the information requirements, the services of Reuters and Telerate are seen to complement one another.

"Talking to foreign exchange dealers, we were struck by the fact that they make deals on the basis of information from a thousand and one sources—not just the two or three screens on desk, flashing ont real-time prices and news, but traditional sources such as specialists in the marketplace who they will telephone to confirm prices and rumours, together with circulars, the newspapers and even the radio in some cases."

Be that as it may, the key to Reuters present profitability is its unparalleled range of screen-based services. It provides data to some 54,000 screens and 6,300 teleprinters worldwide, representing more than 17,000 subscribers to business information services.

The list inclndes foreign exchange and money market services together with services for commodities, *securities*, bonds, shipping, energy, coins and precious metals, dealing, interface products, graphics, arbitrage, position keeping, historic deta and news.

Reuters' own technology is decidedly mature but its recent purchase of Rich Inc of Illinois in the US bas given it eccess to one of the best of the new video-switching technologies.

The idea is to tackle the most pervasive problem in the dealing room today: the clutter of video screens on the dealer's desk.

The Rich Composite Information System confronts the dealer with one or more screens but a single keyboard. Any information in the system can be displayed on any screen under control of the keyboard.

Special innovations in CIS include source page pooling, a techniqua which allows many users to look at the same source *page from* a *single* data controller, and deta page manager providing access to any information aource using a direct digital feed (stream of computer data).

CIS reduces the cost of information through its ability to access any of the current services. FMI notes: "Rich is the only company thet Reuters will bappily provide their service through e digital feed (Reuters will provide through others but only under considereble pressure)."

Telerate provides high quality informaticn, principally from the US money markets. Its services include money markets, world currency, commodities, news international cash market profiles, and Telerate PDQ, a futuristic device not yet available in the UK.

It *comprises* a *hand-held* monitor, looking a little like a cross between e transistorised radio and a radio pager. Some 300 Telerate pages have been converted to run on the device including foreign exchange and currency futures, fiscal income markets, world bullion markets and precious metals futures and energy.

The information is relayed from the source by radio and displayed on e tiny liquid crystal display.

The Topic service of the London Stock Exchange now reaches over 3,000 terminals in the UK.

Topic is a low-priced but generally effective viewdeta-based system carrying market process, company announcements, market overviews, exchenge rates, traded options, North American prices and crude oil prices among others.

It also provides a variety of computer - readable services such as "Hotline," a real time *feed* of *market mid-price* data on the continuous securities; "Dataline," e real time feed of file maintenance data for subscribers needing to know any cbenges to the Exchanges Epic *database*; and "Valuline" for subscribers who need to know the actual price spread or two-wey prices for valuation purposes.

On October 27 this yeer, the *Stock* Exchange Automated Quotations service, SEAQ, the key to the future development of electronic information in the City, will be edded to the Topic service.

Accounting aids

Quotron Systems, based in Los Angeles, is e US company making significant and eggressive moves in Europe. Its services are marketed and sold outside North America by a partnership including Quotron, the Associated Press and Dow Jones.

It has recently leunched a financial office service called Q1000.

It is basically a powerful minicomputer linked to intelligent terminals which provide services such as a portfolio system designed to aid brokers' accounting and book-keeping, e data base management system and business grephics in addition to word processing and *spread sheet analyst programs.*

The Q1000 is available in Europe although none have yet been sold bere. It is reported to have had a good reception in the US.

What is clear from this overview of some of the principal services is that the technology is still inextricebly linked with the service. Until a standerd "dealer desk" can be agreed, thet is likely to remain the the case.

* * *

First Market Intelligence, is on London (01) 821 0263. It publishes the Financial On-line Information report at £780, plus £350 for a year's subscription to the quorterly update service.

Technologists believe the future belongs to relational databases which allow users to analyse information from different viewpoints.

Tailored services will test limits of technology

Keys to development

ALAN CANE

SIMPLE PROVISION of information is no longer enough; the key to the future lies in selling an information package whicb seems tailored to eacb individual user and that will stretch the technology to its limit.

There are three basic components in any system designed to provide customers with economical and immediate access to *information* held *in* e computer memory.

First, a way of capturing the data speedily and in a cost effective manner. Second, a method of arranging the information in tha memory of the computer so the customer can heve access to it quickly and effectively. Third, e technique for presenting the informetion to the customer so it seems both useful and accessible.

Experienced electronic publishers like Mr James Ducker, managing director of Pergamon-Infoline and formerly with Datasolve, argue that the central technology, the computers and the disk drives wbich hold the information reedy for immediate access, is now mature.

Conventionally, comparatively large mainframes are used to provide on-lina information services, although "supermini" computers also have sufficient power and capacity.

The UK Prestel service, for example, runs on a series of GEC *minicomputers*.

The heart of any on-lina system, however, is tha disk drives. Information is "written" on the magnetic surfece of large metal disks which spin endlessly in the drives. The information is read off the disk by a read/write head which is moved over the disk surface by an articuleted arm. The whole device is a little like a large, futuristic record player.

The disk drive is a compromise between the speed needed to provide a customer with informetion in a reasoneble time and the cost of semiconductor storage.

There is little now that can be done to improva the speed with which the articulated arm moves to position the read/write head over tbe desired section of tbe disk—that is limited by the physics and *mechanics* of the device.

Moves to add intelligence to the electronics which control the operation of the disk could result in the appeerance of extra speed for some customers. The idee is that most customers want to look at particuler sets of information in most of their inquiries and only occasionally look at data outsida that set.

With intelligence (essentially a small computer and some bigh speed semiconductor memory) built into the disk controller, the system can seem to "learn" what the *customer* wants and be ready to provide the information in a "prepared manner."

Conventionally, information is retrieved from on-line systems using specialised database aoftware such as BRS Search — operated by Datasolve's World Reporter service — which enables tha user to move through files using a comperatively small number of commands; "get," "pick," "*context*" and "text" are typical examples.

The ioformation is stored on the spinning disks using a technique called the "inverted file" where virtually every word is *indexed*. When a *customer asks* to see a particular set of ioformation using cartain key words, the system can search the index much more rapidly than it cen examine its entire library.

The inverted file technique is common to many database software systems.

Retrieval

Earlier this year, for example, ICL, the UK computer company announced that it would market Assassin 6, a well - regarded ioformation retrieval package written by ICI, tha cbemicals giant.

What makes this deal particularly interesting, however, is the possibility that ICL will combine Assassin with an invention of its own, CAFS, to provide a sharply improved search techniqne.

CAFS, content eddressable file store, is a hardware device unique to ICL and now supplied as a standard facility on many of its larger machines. So there is some way to go yet in *squeezing* more power out of conventional systems.

Most computer technologists agree, however, that the future belongs to what are called "relational databases" sets of *information* which are *stored* in the computer in such a way that tha relationship between eech piece of information and the rest can be analysed in different ways.

So, for example, it would be

CONTINUED ON PAGE 3

Electronic Financial Services 3

With the advent of the electronic stock exchange, deals are being struck in seconds.

Rapid data: a vital commodity

The world's stock exchanges

ALAN CANE

INFORMATION TECHNOLOGY can force organisations to reassess their business ambitions with searching clarity.

Banks, for example, traditionally in the business of taking deposits and making loans are now firmly in financial information publishing through their cash management services.

And the world's stock exchanges, ostensibly market places for the buying and selling of gilts and equities, are taking up much the same role through the dissemination of market prices and other dealing information.

Electronic technology is, in fact, driving a powerful convergence between the role of a stock exchange in providing a market-place and its role as a disseminator of information to its members and customers.

The logical conclusion of this process will be the development of information systems of such sophistication that they supplant the physical market floor entirely, providing an electronic exchange through which traders can deal as well as receive market information.

Examples of this kind of convergence already exist in the Reuters foreign exchange dealers system and the NASDAQ over-the-counter exchange in the US.

Bermuda

Perhaps the best example, however, is the completely automated on-line futures exchange, Intex, based in Bermuda and formed by a special act of the Bermuda Parliament in 1981.

It was founded by a group of US businessmen committed to the idea of a more efficient way of carrying out futures trading.

They include Mr Eugene Gummer, formerly director of International commodities at Merrill Lynch and Mr Wallace Sellers, director of diversification and joint ventures at Merrill Lynch.

Running on a powerful computer complex built by Digital Equipment Corporation (DEC) of the US, the exchange currently trades contracts such as the 100 ounce gold future contract and the Ocean Freight Rate Index Contract. Market makers subscribing to the exchange post their bid and offer prices for contracts into the system, watch the markets moving on their video display screens and trade by keying their instructions into the terminal.

The deal is executed within three seconds, and both parties to the trade receive confirmation notes from their printers.

According to First Market Intelligence, a market consultancy specialising in on-line financial information, Intex will eventually operate 24 hours a day. It says that the system should avoid the misunderstaodings common on a crowded pit floor where deals are executed by the waving of a hand and a nod of the bead.

But it warns: "Intex is a high risk venture. It will depend on volume to function efficiently and to generate a fluid market. Even if it obtains the volume, it will probably he copied. But whether Intex succeeds or fails, one fact is certain — the concept of an electronic market floor is here to stay."

Ashley Ashwood

Japanese brokers in action surrounded by visual display units on the bond trading floor of the Tokyo Stock Exchange.

So the world's stock exchange's are investigating anxiously and urgently the position they should adopt in these new markets, often against a hackground of discontent and dissention from their members who would be happy to settle for a more traditional role.

In Londoo, for example, where the end of minimum commissions and single capacity dealing is driving the "Big Bang" scheduled for October 27 this year, there was considerahle debate among Stock Exchange members before it decided to go ahead with its own electronic information services.

It already operates a low-cost hut effective system called Topic hased on viewdata technology. This is fed hy a team of Exchange reporters who collect prices on the market floor and put them into the Exchange's data collection computers.

After Big Bang, the Topic service will be modified and improved by the addition of a new set of computers to provide SEAQ, the Stock Exchange Automated Quotations system.

This will provide information at three different levels and in two separate forms: viewdata format which can he displayed on brokers/dealers existing video terminals, and as a computer readable feed (stream of information in electronic digital form).

This computer readable feed, to be known as Marketlioe, is among the more important of the Exchange's information publishing activities because it provides the raw material for the Exchange member's own computer systems to work on.

The argument goes that while every broker/dealer has access to the SEAQ information, those with computer systems which can process the data into a more immediately useful form, will have an immediate competitive advantage.

Furthermore, they will be able to resell this information to become information providers in their own right.

So Hoare Govett, for example, one of the largest City stockbroking firms, established Datastream as its research department hack in 1964. By 1970 it was installing computer terminals in its client's offices to provide access to a securities datahase and hy 1983 bad heen sold to a consortium of UK businesses and then acquired hy the major US financial information organisation, Dun and Bradstreet.

Private clients

Hoare Govett now offers information to a closed user-group on Prestel, the British Telecom viewdata service. It offers general financial information to any Prestel subscriher, hut its summary of world markets, London stock market reports and portfolio management services are available only to its private clients.

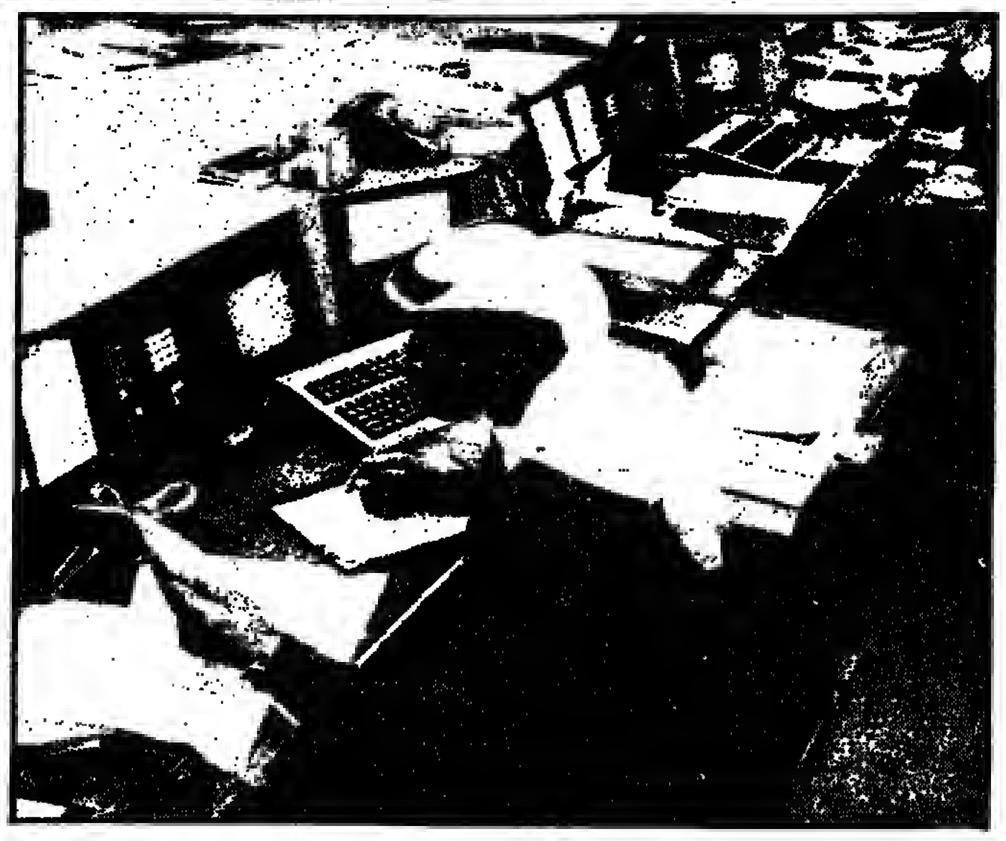
Hoare Govett also offers a "telebroking" service, the first in the UK, through which shares can be hought and sold over Prestel—an interesting and early pointer to the electronic market floor of tomorrow.

Information from US Exchanges is available in Europe through a numher of on-line information providers including Reuters, Quotron and Telerate, but one of the few providers of real-time information from all the Japanese Exchanges is Quick, the Quotation Information Centre KK. (Reuter operates a Japanese language service, but only in Japan iself).

A new service specially tailored to Europe is being readied for launch io April 1986 providing trading range, price, opening, high, low and volume details for the Tokyo, Osaka and Nagoya exchanges.

First Market Intelligence notes: "The arrival of an English version of Quick bas long heen awaited by UK users. The main criticism has been that altbougb details were accurate and reliahle, all the headings were in Japanese. Not much belp for non users of either Kanji or Hiragana!"

So the advent of the electronic stock exchange may be slowed hy factors other than the sophistication of the technology.



Terry Kirk

A Bahraini dealer checking currency rates at the foreign exchange dealing room of the Gulf International Bank at Manama.

Tailor-made data services

CONTINUED FROM PAGE 2

possible to examine the entire staff structure of a company from a number of different viewpoints — the personnel department, for example, would want to see the information arrayed in a completely different way to the treasury or the company secretary's office. Relational database software makes this possible.

Relational datahase computers — the Britton-Lee machine is a good example— are computers designed to take advantage of the principle of relational technology.

The combination of this kind of computing machinery with the kind of powerful graphics software which can now run on desk-top personal computers offers attractive new possibilities, however.

It would be possible to ask of such a system: "Show me the number and location of all the chip shops within a five-mile radius of Manchester city centre" with the result that a map of the area would be drawn on the computer screen showing the shops in fine detail.

Input of information is a comparatively mature business now. Some information is still laboriously keyed in, but for most on-line service providers, the raw data arrives as computer tape, or disks.

Where masses of text have to be captured by the system, automated document readers such as the Kurtzweil can help but they tend to work more effectively on bigh quality magazines than gruhhy newsprint.

Key questions

The real challenge for the on-line companies is finding better ways of providing their information to their customers. Tbe accent is on manipulating the data to give each customer the impression that the data displayed has been tailored for their use alone.

It involves questions of the number of screens a dealer should have on his or her desk, for example. At the moment, four is common and six is not unusual. Yet most dealers say they want only one screen on which all the information they require can he displayed — perhaps through "windowing," a method of partitioning the screen into smaller segments, each independent of the rest.

The principal problem for all these companies is bow to spread their services among a larger numher of customers. Dun & Bradstreet, the world's largest credit management organisation, for example, are soon to introduce DunsVoice a credit-check service which uses computer generated speech to answer telephone inquiries. Priced very competitively, Dun & Bradstreet hope this will encourage smaller customers to make more use of their service.

At international level, the European Host Operators Group is investigating the possibility of common access to any database owned by its members. As Mr Michael Gardner of Datasolve said: "Some 60 per cent of people who could be our customers do not yet have a computer terminal and modem."

New methods for executives to unlock the secrets of on-line information systems.

PC paths into databases

The business of information

ADRIAN MORANT

EVEN THOUGH the microcomputer, the ubiquitous PC, is being widely applied in industry and commerce, It mainly occupies a stand-alone role where it is used in accounting, forecasting (spreedsbeet) or wordprocessing applications. However, one extremely Important aspect is often overlooked—its potential for improving the amount and quallty of information at one's disposal.

The low cost and ready availability of the PC enables access to be made to enormous libraries of information, stored in the form of databases on mainframe computers, no matter wbere tha host computer is situated.

The largest feat of engineering in the world is the telephone network which allows a subscriber in one country to dial to another in another part of the globe. Having made the connection does not necessarily mean that the two parties will have anything in common or even be able to understand one another. Nevertheless, irrespective of anything else, they ahare a common Interest in a database—the telepbone directory.

It is worth making this point because we have all suffered from shortcomings associated with directories. They are not always up-to-date; we cannot find the name for which we are searching, possibly because we don't know the correct spelling; and we are not likely to have directories for strange out-of-the-way places.

Telephone administrations, such as British Telecom, recognise the problem and have therefore installed computerised directory enquiry systems for their operators. Thus, in response to an enquiry from a member of the public, the operator follows a search sequence, starting with town, in order to locate the required number.

This example of an on-line (meaning that the user has direct control of the process) database is often used by us all. In France, bowever, the PTT has taken the process much further. It is providing subscribers with a "Minitel" low-cost VDU so that they can directly interrogate the directory database themselvea.

Comprising a cathode ray tube (CRT) screen, alphanumeric keyboard, and built-in modem to allow it to communicate via the telephone line, it is designed for simple operation by the man in the street. The system enables the user to make, without assistance, simple enquiries or even more complex searches wbere, for example, the exact spelling of a name is not known. In addition, "yellow pages" trade categories can be accessed.

The French PTT is not motivated by altruism. It is providing users with immediate access to up-dated directories, It is eliminating printing costs, and it is introducing the mass of the French population to on-line information age. The outcome of this could well be that France will strengthen its position in the information society in which we live.

In most cases, with the addition of certain additional bardware and software to bandle the communications, the microcomputers already available in the office can be connected via the telephone line and used to access this information.

If the micro has, or can be fitted with, a serial (RS232) Interface the necessary modem and software can be purchased for a comparatively small sum.

While It is possible to make a start on a limited investment of about £200 it is more sensible, in view of the fact that charges are based on the duration of time that one is connected to the service, to invest in a more sopbisticated modem and communications software for both speed and ease of operation.

For example, an appropriate version of Sagesoft's Chit-Chat software (which is available for most of the popular business micros) together with the basic version of the Minor Miracles WS3000 modem can be purchased for around £450. They provide the communications facilities necessary for the micro to access a wide range of information services, including Prestel, as well as being able to link Into world-wide telecommunication systems.

This software has been designed to control the modem so that, once the user bas decided which service he wishes to access, be only bas to make one or two simple keystrokes. Tbus, the modem will automatically dial the computer and then, when the call is answered, go through the dialogue of signing-on with bis identification and giving the necessary user password to gain access to the system.

This speeds and simplifies access to the service and so enables the economist, scientist or other specialist to concentrate on the real job without getting bogged down with the intricacies of telecommunications. This is quite important because, where there is no local telepbone access to the database of one's choice, BT's packet switches service, PTT, provides cost-effective communications, It does, bowever, necessitate a more complex log-on sequence.

The old adage of "time is money" applies to the availability of information. Sometimes one needs the information immediately; in other cases it is the cost of people's time in obtaining it. Thus It is a valuable commodity and as is to be expected, wben there is a need, companies set out to satisfy that demand. And their charges vary In accordance with bow difficult to obtain or time-sensitive the material happens to be.

It Is possible to obtain valuable, up-to-date information rapidly and use the power of the computer to examine vast quantities of Information and only present to the user those details which meet specified searcb criteria.

Personal computers in use at the Financial Times Business Information offices at Southampton Street, London.

The differing levels of awareness regarding on-line databases on either side of the Atlantic and also the differences in the real and perceived benefits of communicating microcomputers is bighlighted by the fect that modems are only purchased with about 10 per cent of business micros in Britain, as against 50 per cent in the US.

It is not surprising, therefore, that some of the largest database resources are offered by US-based organisations. For example, the Dialog database service, even though offered by Learned Information (Europe) is an American product.

Dialog Information Retrieval Services bave been in operation since 1972 and bave grown to encompass over 90m records spread ovar 200 databases.

Dialog has 70,000 users worldwide who are charged in proportion to the amount of time for which they use the service. Its charges range from $15 to $150 per online connect bour. While the most popular databases, at around $70-$100 per hour, are the scientific, technical, chemistry and business, the highest charges relate to market research, company reports and recent patent filings.

One of its major competitors in the UK is Pergamon InfoLine whicb has been operating since 1981. It bas about 50 databases including chemical business news base, directory of American research and technology, industrial market location and key Britisb enterprises. Despite being headquartered in the UK about 40 per cent of its customer base is in the US.

Inoline cites the case of someone needing to research into the paint industry in the West Midlands: e search of key British industries will reveal the major companies in tbe business. This can be followed up by the Dun & Bradstreet file "Who Owns Who" to determine the ultimate bolding company. Then Jordanwatcb will give financial information online of any companies of interest while BIS Informat enables the user to scan press comments on companies, products or markets.

Even though many who could benefit from the application of this form of intelligence do not even realise wbat is feasible, there is growing impetus in online databases. Only next month British Telecom is scbeduled to launch its Hotline service in the UK and then, one month later, will announce nt to the US market thus following the leed of InfoLine.

According to BT it will have just 15 databases which, it claims, will cover virtually all needs. The main advantage of Hotline is said to be that it uses a unified command structure to access information.

The aim of this is ot make the system more "user-friendly" so that the executive will find it easier to unlock tbe secrets of the online database even if, at the beginning, he does not know exactly the right question.

Data protection measures will safeguard trade

THERE is still some confusion in the UK about requirements and exemptions for registration under the new Data Protection Act—for example, by those concerned with payroll and accounting information.

The Data Protection Registrar, Mr Eric Howe warns: "I would advise data-users to check very carefuly before jumping to the conclusion that their computer applications are exempt."

With the deadline for registration (May 11 1986) looming np, advice and guidance literature is being made available at a number of exhibitions including the Info 86 show which opens today at London's Olympia. Tbe aim is to assist data-users who are still unclear as to whether they should register or not.

Those who fail to apply for registration or who breach tbe principles laid down under the Act may be liabla to prosecution or to enforcement by the Registrar.

Tbe twin aims of the Act are to set np safeguards to protect individuals about whom information is held on compnter and to enable Britain to ratify the Council of Europe's convention on data protection to safeguard UK trading interests.

For individuals, the Act creates new rights, some of which are already in force. Others, such as the right to know details about personal data held about them, will be introduced by November 11, next year.

The law applies to both the public and private computer-users as well as computer bureaux and third party data-users who process information about other people. More details are available from the office of the Data Protection Registrar, Tel: 0625-535777.

MIKE WILTSHIRE

Big drive to improve communication links

CHECKING THE credit-worthiness of companies and customers requires a very large amount of information, filed for quick retrieval and frequently updated. It sounds like a specification for a computer database. Indeed, most commercial credit reporting companies have turned to computer technology to store the vast amount of financial information required.

In the ever-competitive world of business, companies now want information faster and as up-to-date as possible. This bas put pressure on the service organisations to review their files more frequently and offer customers immediate access to relevant information in as comprehensive a form as possible.

This, in turn, bas resulted in the trend towards investment in telecommunications to allow customers direct access to information stored on central databases, using a variety of terminals. Indeed, within the last two years five of Britain's largest credit-reporting groups which deal with both corporate and personal credit checks bave launched computerised terminals.

The advantages are obvious. These services are quick and cheap and can be easily updated. In addition, credit-reporting companies bave the opportunity to offer a variety of services, specific to market needs, once they bave established a large database with comprehensive business Information.

Jordon Information Services, for example, has a facility which logs new companies as they are formed which could give a client early warning of potential new customers or competitors.

Dun end Bradstreet, being the market leaders and operating on a world-wide basis, has been one of the more advanced users of computer technology while still tempering its investment with a measure of caution. In the past few years it bas invested $400m in computer technology and acquisitions which give the company access to database expertise.

Dun and Bradstreet has bought DetaStream in the UK and Cosmos in Italy, both substantial database groups, and is likely to acquira more companies in this sector. Dun and Bradstreet has set up a worldwide network of computers to provide fact, figures and analyses of business sectors. In the UK alone it has Information on more than 900,000 companies.

Companies with substantial database technologies are beginning to compete beavily in the commercial market. Dun and Bradstreet, which has more than 500 offices worldwide, tends to met local competition such as ICC Information Group which hes a number of services and outlets either available through databases such as Dialog and Data-Star or through a viewdata system.

Credit-checking

ELAINE WILLIAMS

Via the viewdata system, ICC can provide detailed analysis of e company's balance sheet and profit and loss account over a two-year period and analyses of the company's performance within its industrial sector.

Any computer database depends on accurate and up-to-date information. This is gathered in e variety of ways from personal interviews to public records. The aim Is to provide well-researched data about the standing and credit-worthiness of Individual companies so that customers can make fair decisions. But It is technology which is transforming the presentation of this data.

Previous to the computer storage systems, files were on paper or microfilm. Every time a request for Information was made, a manual search through these files was required, followed by the preparation of a detailed report, again on paper.

Now, information can be delivered to the customer In a number of ways: for example, by direct access to the Dun & Bradstreet computars via most desk-top terminals, by telephone mail and by telex. Tha company Is even working on a service called DunsVoice where s synthesised computer voice is able to respond to inquiries.

This service is likely to be leunched early this year after trials with a small group of leading companies which include British Airways, Durea cell and Thorn EMI. French and Dutch versions sbould follow the English service later this year.

The system starts with a professional announcer recording, in a studio, all the words and phrases ever likely to be used in a business conversation. The recorded phrases are then digitised—turned into computer code—and stored within the system. Then tbe appropriate sentences are built up, according to the customers' questions.

In the past it bas been difficult to produce systems wbicb can reproduce e large vocabulary with good speech quality. But technologists are working on the entire field of speech analysis and synthesis so that considerable strides in prodncing nnderstandable synthetic speecb are being made.

The flagsbip of Dun and Bradsheet's services in Duns-Print where information—beld on the computer's database—can be transmitted directly to the customer's disk through a personal computer, dumb terminal or a teleprinter.

The company also has Dunstel which nuts the customer in contact with a computer-aided consultant who gives the required data over the telephone.

Information-gathering has also been helped by advancing technology. For example, companies bave helped Dun & Bradstreet. The data are then loaded onto their own computer system and translated into a standard form.

The company tends to concentrate on commercial credit-checking, while other groups such as UAPT and CCN In the UK are involved in consumer credit checking. These companies are also heavily computerised giving quick telephone responses to clients. The trend within the Industry, therefore, will be to further improve communications links and access to computers vie low-cost systems.

System has details on 1.7m companies

IN WHAT is claimed to be the biggest UK credit information agency of its kind, the United Association for the Protection of Trade now haa details of 1.7m businesses on its Infolink system.

Information on 670,000 sole traders and partnerships, plus vital details on bad debts are included on UAPT's database.

Infolink has recently extended its computer power with a new Burroughs A-15 mainframe system with the capacity to handle 48,000 transactions an bour, around the clock, seven days a week. At the moment the service operates 12 bours daily, six deys e week.

The range of data available to Infolink's 8,500 subscribers Includes a consumer information service wbich inclndes the UK's entire electoral roll of 42m voters. A team of 600 people were needed to update the list witb more than 5m changes last year.

Details of debt defaulters, county court judgments, credit agreements and balances outstanding identify individuals whose business transactions require a cautious appraisal.

Infolink's payment profile service, launched at the end of 1984 with the support of the Finance Houses' Association, Is now carrying detailed data on consumer credit commitments, totalling more than £2bn.

Details supplied by four of Britain's largest finance bouses have already been loaded Into the system, together with details from some of tbe best-known names in the retail trade.

There are now more than 15m credit items on the payment profile database, although detells are only available to UAPT members who contribute data. Month-by-month bistories of each account can be given, together with details of the most recent file update. Members can link into UAPT's Croydon database via computer, telex or viewdata systems.

MIKE WILTSHIRE

Commercial range finds broader base

Teletext

RAYMOND SNODDY

THE COMMERCIAL outlook for teletext, invented originally as a system of providing subtitles on television programmes for the deaf, is in the process of being transformed.

Until recently the main use for teletext, which uses spare lines on the broadcast television signal to transmit pages of information to specially adapted television sets, has been to provide a news and information service.

The BBC claims 10m viewers for the 600 pages of information on its teletext service. Ceefax and Oracle, the independent television version, reaches a potential audience of 9.5m according to market research. Both the BBC and Oracle are now involved in new commercial services designed to use the teletext technology to deliver specialised information for business and industry.

Teletext has two main advantages over other delivery systems. It is realtively inexpensive because it is going out piggyback on the broadcast signal and does not involve telephone charges. Any service is national from the moment it is switched on because of the reach of the broadcast transmitters.

The BBC subscription service, Datacast, is now up and running and according to Mr Lawson Brown, head of Data Broadcasting at BBC Enterprises, the commercial arm of the BBC, on the verge of signing its first customers. Talks, he said, are at an advanced stage with the Stock Exchange.

Bookmakers were also interested in the possibilities. Apart from transmitting changing information on starting prices Datacast could even belp bookmakers keep within the law when it becomes legal to bave televised racing in betting shops from this month.

The Datacast system will be able to switch off television sets automatically all round the country when racing ends and normal programmes begin—something required by law.

Retail groups are very interested in the possibilities arising out of teletext because price changes and credit card checking information can be distributed to shops all over the country virtually instantaneously. The service is encrypted to ensure confidentiality.

"For a company with 700-800 retail outlets it really does becoma very cheap," Mr Brown says. The operating cost, apart from a black and white television licence, will probably work out at about £140 a year for each shop.

The BBC is offering "a completely transparent data transmission channel, computer to computer, which is independent of tha teletext computer."

The Corporation hopes that Datacast will rapidly turn into a multi-million pound business. Mr Warren Tayler, chairman of Air Call, the call answering and telecommunications company, is also optimistic about the commercial application of teletext technology.

Air Call is in a joint venture with Oracle—Air Call has 75 per cent, Oracle the rest—and the subscription service went live last month. Under the deal, Air Call will pay Oracle about £2m over the next three years.

"I think It will probably take a couple of years before the service gathers momentum," Mr Warren concedes, but hy 1990 he balieves the "broadcasting" element of the servioe, which probably accounts for 10-15 per cent of the whole, should be a £10m-a-year husiness.

Financial sector

Mr John Stanley, chairman of Air Call until his death in October, first saw a subscription use for teletext 10 years ago and wrote to the Independent Broadcasting Anthority asking for permission. "It'a a shame be didn't live to aee our service go live," Mr Warren said.

Air Call is concentrating to begin with on the financial services sector and a number of major financial institutions have agreed to begin trials this month. "The system allows us to send significant amounts of data out at aboot 19.2 kilobits a second. It's pretty beavy stuff," Mr Warren added.

Unlike the BBC, which is using a line-based packet system of transmitting information, Air Call is using existing page-based formats.

It also already has its first subscriber—Electron Systema (Marketing) of Potton in Bedfordshire.

ESM claims it has effectively transformed teletext from being a passive information service into a viable one-line database. It has developed software and decoders which link teletext information to personal computers.

Information such as the latest foreign exchange rates are integrated with the flow of normal teletext information and are huilt up in the computer memory allowing trends to be manipulated graphically. A stock exchange and portfolio management service is also being added.

ESM is aiming the service at companies which could not justify the cost of the more sophisticated on-line financial services. ESM is leasing its package—excluding the personal computer—for £1,750 a year.

Mr Alan Jones, a consultant who has produced the only comprehensive report on the field of subscriptioo teletext believes it is opening up a new tier of the market for financisl services and information. It has taken 10 years to make teletext fully commercial but the knowledge gained will now prove immensely valuable, he believes.

Meanwhile mainstream teletext continoes its development. Last month the BBC Ceefax service was significantly speeded np by hroadcasting on six spare lines rather than four. As a result the maximum wait for news and information has beeo cut from 30 to 15 seconds.

More than 3m homes in the UK have now have television sets which can receive teletext—a penetration level of 14 per cent. Tha number is increasing at an estimated average rata of 70,000 a month and a total fo 850,000 new aets are expected to be bought during this year.

According to Natiooal Opinion Poll research, Oracle, which is now starting to trade at a profit has a daily audience of 2.5m adults and 4.5m during the course of the weak. The research also shows that 76 per cent of Oracle viewers have seen advertisements on the system.

Air travel cost inquiries being made through the Datasolve system.

Switch to specialist areas is profitable

"PRESTEL IS makiog a profit this year . . . this is a really important moment in our lives," says Mr Richard Hooper, head of British Telecom's valua added systems and services, which have activities ranging from Yellow Pages to electronic mail.

It has taken Prestel seven years to get into the hlack and only then after making write-offa of around £40m—equivalent to about £800 a subscriber, at preseot levels.

Prestel has been widely criticised for those losses, its failure to achieve mass sales, and becanse some people find it tiresome to use, instead of easy, as it claims.

Development began on Prestel about 15 years ago at tha Martlesham Research Laboratories of the Post Office, as it then was.

The vision at that tima was to create a mass market which would stimulate the use of the telephone network. An additional benefit would have been tha stimulus this would hava given Britaio's television maoufacturing Industry.

Richard Hooper complains that Prestel's critics ignore the fact that it abandoned attempts to create mass sales over four years ago.

"There is an obsession with terminals. It really does not matter how many terminals there are; tha key is the revenues. Look at Reoters."

Prestel now has 65,000 terminals, which are roughly equally divided between residential and business users, although the latter provide it with significantly higher revennes.

When it became abundantly clear that there was no mass market for Prestel, the company switched to specialist markets, first for business and then for the home.

Profile: Prestel

JASON CRISP

Prestel have been a notable success in the travel industry. High street travel agents can use the service for information and for making bookings with the boliday companies and airlines.

"The growth in Prestel is coming in segmented markets, such as travel, insurance, farming and lawyers," adds Mr Hooper.

In each of those segments, small businesses play a significant role—the travel agents, the insurance brokers, the farmers and local law firms. Prestel's advantage is that it is a relatively cheap terminal and data base.

Residential customers have also been attracted by some of the new specific applications, rather than the ability to gain access to all of its data base. Home computer buffs bave joined to use Micronet 800, which gives them sccess to software, information and an ability to communicate with each other.

Another draw has been the Nottingham Building Society's Homelink—the country's first armchair banking service. Customers can check their balance and pay bills using a Prestel adaptor from their bome.

Criticisms of this service inclnde the tiresome—but necessary—security codes, the time it takes to use tha system and the obvious fact that you cannot do the two most important banking functions: paying in and withdrawing cash.

Small investors can now use Prestel to buy and sell shares through services offered hy stockbrokers Hoare Govett and de Zoete and Bevan.

The latest and perhapa most promising addition to Prestel Is home shopping. Telecard enables owners of Prestel sets in parts of London—such as Kensington, Westminster, Chelsea and Hammersmith—to order goods from Lalani Foods supermarket chain. If ordered in the morning, these are delivered hy van on tha same day.

Richard Hooper comments: "Our gut reactioo is that there is a growing market for peopla who want convenience. Married couples who both work don't want to spend the weekend queueing in a supermarket for basic items.

Althoogh Teletel, France's equivalent, has vastly more terminals than Prestel, the British system has been adopted hy many countries around the world. (At a huge cost, tha French have been giving telephone subscribers computer terminals, free, primarily to be used for directory inquiries.)

Clearly, BT is not going to follow this route. It does seem that Prestel's modest success is now likely to continua and the possibility that it would be closed does not look likely now.

It fits in comfortably with BT's growing range of on-lioa services. These includa Telecom Gold, the electronic mail service, and Hotline, the financial database to be launched in April.

Accent on better marketing

Profile: Datasolve

JASON CRISP

"THIS IS a gama for grown-nps. You hava to grit your teeth and put up with the costs. It would be extraordinarily foolhardy for anyone to enter the market now, unless they are very rich," says Peter Cotton, director of electronic publishing at Datasolve.

There are other people in tha database industry who have had just such thoughts abont Datasolve's own foray into electronic publishing. Even if its investment in its World Reporter database is small in comparison to that giant US rival, Mesd Data Central, it is still a substantial sum for a computer bureau such as Datasolve.

World Reporter's apparent problem, says some observers, is that it is so small it will never be able to compete with something as vast as Mead Data Central's Nexis database which has about 30m articles.

Not true, says Peter Cotton, who was recruited a year ago to add some dash to World Reporter's marketing. "I've a hang-up that marketing in high technology companies is not bad . . . it is non-existeot. Datasolve underestimated how this business could be moved ahead through marketing."

As a result, Datasolve has started to target specific industries, such as advertising, rather than rely on providing a general purpose news and current affairs database. Nonetheless, it is hard to find many people in the industry who are very optimistic about World Reporter's chances. Even the confident Mr Cotton does not expect it to be in profit for about two to three years.

World Reporter was formed in 1983 using tha technical expertise and surplus capacity of Datasolve's computer bureau to try and stimulate greater growth. Despite repeated predictions that tha computer bureau business was ready to die, Datasolva has grown at a pedestrian but consistent 15 per cent a year—which may be seen as good, in some industries.

Most of tha early effort was in signing np and putting newspapers, magazines and transcripts of broadcasts onto the computer. Even now 80 per cent of Datasolve's revenues in electronic pnblishing come from supplying databases for tha internal use of organisations like BSC, Consumers' Association, MP and Mintel.

World Reporter now bas a variety of sources for its database including the FT, the Washington Post, Japan's Asahi News Service, the BBC's external news service, the Economist. Its most recent addition is TASS, tha Soviet news agency.

Clearly, World Reporter bas an nphill task aelling the service when Nexis contains so many more publications. Cotton argues that World Reporter is a lot cheaper (£60 per hour), the and it is easier to use. He also argues that Nexis is so large and nebulous that it finds it hard to focus its marketing.

With only a slow growth in World Reporter in the UK, Datasolve bas begun to aim at much more specific markets and is seeking to become much more internatational.

It has recently launched new database aimed at specific markets such as exporters and the advertising industry.

"Our view is that product development in the information business has traditionally been on a blunderbuss basis where peopla have hlasted away and hoper for a hit.

"So far, we have not seen much attention focused on the needs of the nsers," comments Mr Cotton.

In an attempt to achieve its target Datasolve has started leunching new services to compliment World Reporter. The object is to creata two new specialist databases a year until Datasolve has a substantial portfolio. The first two are:

- World Exporter, which incindes general information on markets and includes databases from British Overseas Trade Board, Plans and Projects Monitor and Euromoney.
- Magic, which inclndes all the information from publications such as Brad and Meal, the essential tools of the advertising industry. In addition, it carries information from Mintel, Henley Centre for Fore casting and news from Campaign PR Week and Marketing.

The second intention to become international has led to the appointment of distributors of the World Reporter database in North America and Australasia.

High costs

"Europe will always be at a disadvantage to the US which benefits from the buge bomogeneous home market," says Mr Cotton. "The nature of this business is the high start-up and high fixed costs which means it is volume dependent. It is very clear to us that the only way to get the volume is on a worldwide basis."

Infoglobe, tha largest on-line database in Canada, with 3,500 users in North America, distributes World Reporter. If one of Infoglobe's customers wants to gain access to World Reporter they can be linked to Datasolve's computers in the UK almost instantly.

Earlier this year Datasolve appointed ACI Computer Services as distributors in Australia and New Zealand adding to the agreements it has with companies in Japan, Spain, Sweden and Norway.

But the costs and problems of getting more customers on to its database means that Datasolve is trying to set up joint ventures with other companies

These could range from selling part of the equity in the electronic publishing side to deals with publishers. Datasolve would consider selling up to 50 per cent in order to attract funds and a useful partner. Its parent company, Thorn EMI, is currently trying to reduce its debts and rationalise the company and is therefore unlikely to approve substantial investments in his high-risk venture.

An explosion of new databases

FOR MILLIONS of American businessmen, professionals, librarians and amateur stock market punters, a new electronic age has dawned.

Just a few computer keystrokes away is a vast and rapidly-expanding number of electronic databases offering screens full of information on everything from share prices and corporate earnings' histories to airline flight schedules and the weather.

US industry's expansion

PAUL TAYLOR
New York

The explosion in US electronic databases, and nsage, is almost breathtaking. It is beginning to transform the way that not only business customers —but also individuals — obtain an increasing amount of their information and now, as a growing number of database providers tie-in witb electronic mail services, deliver information.

The industry is less than 20 years old, but by some estimates it already offers access to several thousand different databases. Industry revenues, which totalled around $1.2bn two years ago, are now projected to rise to about $10bn by the end of this decade.

Its biggest customera are still the investmeot banks wbose appetite for fast informatioo results in them accounting for about 80 per ceot of total revenues. But customers today range from doctors, seeking medical journal articles to corporate librarians, tracking competitors, and from market economists to private Individuals.

According to a study last year hy Link Resources, a New York-based researcb firm, roughly 10 per cent of the nearly 9m US bousebolds with personal compnters are already tapping Into electronic databases for a wide variety of information. The number is growing daily.

Such market researcb la backed up by substantial growth in subscribers and by revenues recorded in recent years by the major electronic information-providers. For example, H & R Block's Compuserve Information Service — one of the broadest-based data-based services available in the US with Its financlal and business—posted a 48.6 per cent gain in subscribers.

Other electronic information-providers including Dow Jones with its financial and business service, Mead's professional orientated Lexis/Nexis/Medis service and Lockheed's specialist Dialog service also reported big subscriber gains.

IDP Report, a database newsletter, measured a combined growth rate of nearly 32 per cent in 1985 for 30 selected on-line retrieval services measured by password terminal or customer count — but noted that the growth rate slowed by nearly 12 per cent over the previous year.

Soma of the largest gains were posted by smaller database providers such as Knigbt-Ridder Newspaper's Vietron Service (which was transformed last year from a local to a national service) and Tbyssen-Bornemisza's BRS Service.

There are other indicators of the growing importance of computer database access — particularly for market and financial information. For example, the American Association of Individual Investors aet up a computer investing group just three years ago wbich now boasts more than 20,000 members.

New entrants into tha fast-expanding business appear almost weekly while the existing database packagers report floods of inquirlas from companies which would like to add their pages. Meanwhile, there is a proliferation of software peckages aimed at providing easier "gateway" access to electronic information—turning complex computer commands into plain English — and others designed to save expensiva on-line search fees or manipulate data collected electronically.

Among these are specialist gateway packages such as In-Search from Menlo Corporation, which providas the researcber with relatively painless access to over 220 online databases carried on the Dialog services, to speclelist modelling tools such as Dow Jones Spreadsbeet Link which allow computer-users to recelve masses of data for later study and manipulation.

Out of this turmoil soma etandards and clear market or niche leaders are amerging. On Wall Street, Qnotron, Telerate and Reuters hava become the indispensabla tools of the trader, stockbroker and market analyst. Among librarians, doctors and lewyers Mead's Databasa offerings and those on Lockheed's Dialog Service have carved out impressive market nicbes.

For individual users, et home or at work, Computerserve, the source from Reader's Digest and Dow Jones News/Retrieval are battling It out for market share. Using market information supplied via Dow Jones News/Retrieval, for example, individual investors can keep track of the value of their portfolios, chart corporate performance or access full text versions of the Wall Street Journal and the Washington Post.

Dow Jones News/Retrieval, which saw its subscriber hase grow by 27 per cent to 235,000 last year, packages together separate database banks to provids Its customers with news reports, current and historical stock quotes, fundamental data on over 4,000 companies, information for Securities and Exchange Commission filings, extracts from proxy statements from almost 10,000 public companies and bighlights from weekly analyst investment research.

On Compuserve the investor can tap into Standard and Poor'e and Value Line's databases together with Disclosure'a Sec Filings Service while The Source provide's access to Media General's stock analyses, abstracts from business periodicals and researcb reports from a growing number of big Wall Street firms.

Huge growth

The range of business information now available is staggering. Even the Government has moved into the act with most of the main agencies now offering their reports, statistical data and other material electronically across telepbone lines to computer modems.

But the explosion in electronic databases is not limited to the "on-line" variety. A growing number of information providers like Standard and Poor's and Valueline now offer subscribers data on computer disks which allow the computer-user to searcb for company stocks which meet virtually any predetermined criteria such as growth rate, earnings ratios or whatever.

Now, with the birth of the computer compact disc, ROM—a cousin of the new booming CD andio player — capable of storing vastly more data on a single shiny disc, less than five inches ecross, a new medium for electronic database publisbing is emerging.

There are also other ways to access electronic data-bases, mostly aimed at stock-pickers and the professional trader. Several US vendors now offer hardware and software packagas which use FM radio channels to deliver market quotes to hand held calculator-size devices which can be pre-programmed to monitor selected stocks.

Other services use satellite disb receivers and decoders to deliver the same material. All charge hefty fees for their services.

Against this backdrop of rapid growth, some market-watchers are already predicting an industry shake-out. Many of the smaller database packagers —and some of the big ones—are still barely profitable because of the launcb costs of their ambltious ventures. But tha potential profits are still clearly a magnet for new investment, sucb as Dow Jones and Oklaboma Publisbing's purchase lest year of Exco International's stake in Telerate.

For the moment, steep access fees and rising local telecommunication costs are constraining factors on the growth of most on-line databese services, coupled with customer confusion spurred by their proliferation. But ultimately tha only limiting factor may be the demand for information itself—and as the industry's paper-based predecessors recognised centuries ago, thet appetite appears almost boundless.

Picture: Glyn Genin

The banks have a vast appetite for electronic data: above, brokers at work at Bankers' Trust Company's offices in Wall Street. New York

The growing range of on-line information services

● A selection of some of ths leading services in the US

Parent company	Service	Subscribers at year-end 1985	% change on year	1984 revenue $m	% change on year
H and R. Block	Compuserve information service	260,000	+ 48.6	9.5*	+64
Dow Jones and Co	Dow Jones news/retrieval	235,000	+ 27.0	39.0	+19
Mead Corporation	Lexis/Nexis/Medis	180,000	+ 33.3	125.0	+31
ITT	Dialcom	150,000	+ 87.5	874.0†	+ 4
Quotron Systems	Financial information services	76,665	+ 6.3	175.0	+24
Lockheed	Dialog	70,000	+ 20.7	59.0‡	+31
Reuters	Monitor	65,000‡¶	+ 21.6	310.0¶	+24
Readers Digest	The Source	60,000	− 1.6	11.7*‡	+35
Equifax	Financial control service	35,485	+ 1.4	60.0	+50
ADP	Bunker Ramo information system	31,500‡	+ 5.0	62.1‡	+15
Telerate and Dow Jones	Telerate	30,000	+ 25.0	114.0	+70
Thyssen-Bornemisza	BRS	26,000§	+116.7	10.0‡	+25
Dun and Bradstreet	Dunsprint	24,179	+ 38.2	68.0	+26
Knight-Ridder Newspapers	Viewtron	15,000	+383.9	n.a.	n.a.
Independent Publications	Newsnet	11,000	+ 37.5	n.a.	n.a.
Knight-Ridder Newspapers	Commodity news services	10,000‡	+ 5.3	40.0‡	+14
OCLC	OCLC	7,483	+ 20.6	37.0	+19
IP Sharp Associates	Sharp APL	6,700	+ 11.7	9.49	+ 9
General Electric	Mark III	6,000	—	8.0‡	+18
Knight-Ridder Newspapers	Vn/Text information services	2,360	+145.8	n.a.	n.a.

* Excludes electronic mail and computer conferencing. † Communications operations and information services division. ‡ Industry estimate. § As of September 1 1985. ¶ Worldwide.

Source: Rivka Nachoma.

US suppliers have eyes on promising Japanese markets

Larger companies lead the way

Developments in Japan

ROY GARNER
in Tokyo

THERE is no shortage of enthusiasm for electronics in the Japanese financial world—et least, not among the larger banking institutions and the equipment-makers.

The Japanese stock exchanges in Tokyo, Osaka and Nagoya, for example, are also introducing sophisticated new electronic information systems. Yet in other areas of Jepan's financial eector, such as tha numerous small-scale banking and credit institutions, the "new wave" technologies are often seen as a worrisome investment burden, posing a threat to survival.

It is the Government's efforts to protect this sector by only allowing bigger institutions to move at e pace at which the smaller outfits can keep up, together with concern over the implementation of effective data security measures, which have kept Japan several steps behind its international counterparts—especially in cash management and international services.

Japan's first cash dispenser was introduced by Sumitomo Bank in 1969 and the same bank had a comprehensive computerised on-line system in place by 1975, but basic liberalisations of electronic banking came only very recently.

Electronic banking technologies are gradually finding acceptance in Japan, though progress In the introduction of various new systems has been strongly reminiscent of the nation's poorly co-ordinated and pragmatic approacb to the automation of the office.

It was in 1982 that the use of computer circuits to enable direct communications between banks and their clients was first allowed and permission for bank clients to originate electronic transfers of funds did not come until May, 1984.

In November, 1985, the Federation of Economic Organisations (Keidanren) issued e report urging the government to ease the continuing curbs on financial institutions in connection with bome banking transections.

Security

Tba report called for:

1. The development of cheap, easy-to-use computer terminals for bome shopping.
2. Protection of consumer's privacy and corporate secrets.
3. Promotion of computerised sbopping settlement systems ae a response to the growing popularity of credit cards.

The report also pointed out that diatribution-related industriea are stepping up their use of computer technologies sucb as point-of-sale (POS) systems, value-added networks and cabla television links through which customers cao order merchandise from tbeir bomes.

The security issue presents one of the most serious barriers to progress.

Mr Masato Miura, deputy general manager of electronic banking services at Sumitomo Bank Ltd commented: "Without a proper environment and outlook on security then electronic banking cannot easily go forward.

"Even though we can offer such measures as PIN (personal identification) codes for protection, if the corporations are careless in their use of these then the system Is made ineffective. We are waiting for the corporations to act on security systems."

Sumitomo's initial policy on electronic banking involved the promotion of increased efficiency through tha direct linkage of bank and company meinframes. This approach was abandoned wben it was found that, even after basic protocol problems had been overcome, development of the customised softwares required to feed data to dedicated areas of a company's mainframes system posed too heavy a financial burden for most firms.

Many Japanese corporations are currently retionalising their mainframe operations, but the streamlining of accounting is generally a low investment priority in this process.

Sumitomo chose tha personal computer approach instead, whereby electronic data provided by the bank is eccessed at the customer sita on 16-bit desktop units and then fed manually into mainframe storaga in a way which suits the individual company.

Information

Through Ita BRAIN (Bank Report and Information Network) service, Sumitomo has, eince 1984, offered bank transaction Information and economic news (including information on international developments), via company desktops.

About 1,000 customers now bave direct connections to BRAIN, while another 115,000 have facsimile or phone connections and the service is growing by about 50 new clients per month.

User-interest bas been strongest in the accessing of information on remittance to accounts and similar client/bank transaction details, but there has been less enthusiasm for the economic data base services.

These services are still considered by usera to be the responsibility of securities firms and other special service organisations, such as Reuters. Mr Miura believes that the direction in which electronic banking services evolve now depends largely upon an improved response from the customer side.

He nbserves with regret that "still we have had no strong reaction from customers as to what modifications to the BRAIN service are wanted. It is proof to us that as yet they are not taking electronic banking so seriously."

He adds however that electronic banking "bas become a very important competitive element between Japanese banks. Owing to the complexity of establishing computerised transactions, large companles are expected to limit participation to only two or three banks. The banks see it as vital to their long-term relationship with such firms that they be elected to provide these services

The Bank of Japan recently announced it is implementing a Y100bn computerised clearing network designed to facilitate transactions among the Bank of Japan (BOJ) and about 500 private financial institutions. The system will feature double lines to member banks and two processing centres, in Tokyo and Osaka; a system design which will safeguard against earthquake damage.

Financial institutions must currently submit vouchers to the BOJ when requesting a transfer of funds between their current accounts held in the central bank. The new system, which will begin limited operation in 1987 and be completed in 1990, will handle about 70 per cent of the BOJ's daily work, excluding the screening of bills and other specialised tasks.

The system should allow banks to make transactions on the interbank call-loan market without having to present government bonds or bills to the BOJ as a mortgage.

New services recently introduced include the US-Japan home banking service, launched by Compuserve Inc, a US telecommunications company, in co-operation with NCR Universal Credit Union. The service, named "Companion At Home," uses personal computers and enables members of the credit union, in both countries to receive financial and other data on a 24-hour basis for a subscription fee of US$10 a month.

The Chase Manhattan Bank of the US also has its eyes on the promising Japan merket for electronic banking tools. Chase is now getting a sales drive underway for its Chase Global Microstation which was first developed in London for the European market. More than 100 representatives of leading Japanese firms recently attended a demonstration of the system In Tokyo, although no orders have yet been announced.

APPOINTMENTS

Senior changes for Davy British Rail

Mr G. W. M. Orr has been appointed joint managing director of DAVY BRITISH RAIL INTERNATIONAL, succeeding Mr Ian Nichols, who has become managing director of Davy McKee Nuclear. Mr J. E. Todd remains joint managing director of Davy British Rail.

★

Sir Hugh Cubitt has been appointed chairman of the HOUSING CORPORATION for a third three-year term from May 1. The Housing Corporation promotes, supervises and controls Britain's 2,600 non-profit making housing associations. In 1986-87 it will invest over £800m in housing projects. Sir Hugh is a director of National Westminster Bank and also chairman of Lombard North Central. He has been Chairman of the Housing Corporation since 1980.

★

Mr Brian E. F. Hill becomes vice-president of Laing, JOHN LAING'S Spanish subsidiary, in addition to director of procurement services. Mr Jon Rushton, director of contractual services, John Laing Construction, becomes chief quantity surveyor. Mr John M. Allen is appointed to a new post in John Laing Construction as director of services. Mr Terry W. Fleming is to be deputy chairman of Holloway White Allom, remaining marketing director of the construction company and deputy chairman of Laing Management Contracting.

★

Sir Peter Reynolds has been appointed a non-executive director of THE BOOTS COMPANY. Sir Peter, a previous chairman of the Unilever subsidiary, Walls, joined Ranks Hovis McDougall in 1971. He became group managing director in the following year and chairman in 1981. He holds a number of appointments in the food industry, is a member of the Industrial Development Board for Northern Ireland, and was recently appointed a member of the Peacock Committee reviewing alternative methods of financing the BBC.

★

Dr R. B. Walker, ICI's commercial manager, vinyl's and plasticisers, has been appointed general manager, "Propathene" and engineering plastics, in the petrochemicals and plastics division. On May 1 he succeeds Mr D. E. Bucknall who has been appointed director of personnel at British Aerospace.

★

Mr Mike Cavanagh, director of Cavanagh Associates and of Quickword Graphics, Harpenden, has been appointed managing director of both companies. He succeeds Mr Desmond Cavanagh, who becomes chairman.

★

London International Financial Futures Exchange (LIFFE), has re-elected five directors for a three-year term. They are: Mr C. Henry (R. P. Martin Futures); Mr A. P. La Roche (Cater Allen Futures; and Mr C. S. McVeigh III (Salomon Brothers International); Mr R. J. Openshaw (Lloyds Merchant Bank), and Mr J. Wigglesworth (W. Greenwell). Mr Rupert Lowe, a director of Phillips and Drew Futures, was also elected to the board.

★

SUTCLIFFE SPEAKMAN reorganises its board from April 1. Mr J. G. Bellak succeeds Mr A. J. Whewey as chairman. Mr N. D. C. Wilkes has been appointed group chief executive. Mr A. Moores retires as group managing director, but continues as a non-executive director and a consultant to the group. Mr R. J. Kingsley and Mr W. H. Morley retire from the board and Mr R. A. Pargeter becomes a non-executive director. Mr Bellak is chairman of Severn-Trent Water Authority. Mr Wilkes is chairman of Wynmouth Lehr. Mr Pargeter is a director of British Tar Prouct s, chairman of Rapadex and vice president and president-elect of the British Chemical Distributors and Traders Association.

★

Mr P. J. White, previously assistant general manager, Midland Bank Group international trade services, has been appointed a corporate finance director, MIDLAND BANK, with responsibility for the Channel Tunnel project.

★

Lord Windlesham has been appointed a non-executive director of W. H. SMITH & SON (HOLDINGS) and of W. H. Smith and Son Ltd from April 1.

★

Dr Jack Birks and Mr Francois M. G. Cornelis have been appointed directors of PETROFINA (UK). Dr Birks is chairman of Charterhouse Petroleum. Mr Cornelis is general manager and assistant to the chairman of Petrofina SA.

★

Mr Bryan W. Baker has been appointed a non-executive director of LCP HOLDINGS. He is group managing director of Tarmac.

★

Mr Findlay Picken has been elected president of the NATIONAL TYRE DISTRIBUTORS ASSOCIATION. He is managing director of National Tyre Service.

★

The NATIONAL BANK OF KUWAIT has appointed Mr Ramez K. Sarkis as general manager, London, to succeed Mr Neville A. S. Mills, who is retiring. Mr Mills will be remaining as a director of the bank's subsidiaries engaged in commercial and investment banking both in London and elsewhere in Europe.

★

Mr Peter Wildblood, who has been secretary of the INTERNATIONAL PETROLEUM EXCHANGE since its launch in 1981, has been appointed chief executive by the IPE board from April 1.

★

BRITISH AIRWAYS BOARD announce the appointment of Mr B. C. Dice as chief executive from April 1. Mr Dice joined the board on March 11 as chief executive designate and will succeed Mr D. G. McCance, who is retiring on March 31. Mr Dice was formerly a main board director of Cadbury Schweppes.

★

JOHN WILLMOTT HOLDINGS has appointed Mr Ian Dixon as deputy chairman. His place as managing director has been taken by Mr Trevor Crow, who has been with the company for 17 years, latterly as divisional chief executive.

★

LUCAS INDUSTRIES has appointed Mr Jack Fryer as group director—product technology in succession to Dr B. A. Jarrett, who is retiring later this year. Mr Fryer joins the group from Rank Xerox in April and takes over full responsibilities from Dr Jarrett on July 1, when he becomes a member of the Lucas executive.

★

UNITED SPRING AND STEEL GROUP announce that Mr Brian Fenwick-Smith, a director and major shareholder, has been appointed non-executive chairman of the board with specific responsibility for long term strategy. Mr Fenwick-Smith was for many years a member of the management board of Thyssen-Bornemisza nv and is presently chairman and chief executive of a private group, Robannic nv. Mr David Westwood remains group managing director.

★

Mr Barry Mole, formerly managing director of Blue Sky Holidays, has been appointed finance director of NEWS (UK). Mr Male joined Blue Sky in 1979 as finance director before becoming managing director in 1985.

★

Mr Robert Burns has been appointed director of finance and administration by AMDAHAL (UK). He was previously controller at Amdahl's European headquarters.

★

Mr John Card, formerly operations director for HUME PIPE, has been appointed managing director in place of Mr Robert Bowen, who retired at the end of February.

★

EXCESS INSURANCE GROUP announce that Mr Gordon A. Lindsay and Mr James F. Noonan have joined the board.

★

Mr D. C. Buck is retiring from the board of CABLE AND WIRELESS at the end of the month, after 43 years' service with the company. He has also served on the boards of a number of subsidiary and associated companies including Jomintel (Jamaica), Textel Trinidad and Tobago), Teletswana (Botswana), CTM (Macau), Intrlram (Cameroon) and is a past chairman of Fintel (Fiji), Coltel (Solomon Islands) and Vanitel (Vanuatu).

★

PENNWALT announce five board appointments. Mr K. St Paul, previously sales director, takes over as marketing director, Mr David B. Auty, becomes sales director, Mr D. Roger Hurp, special projects director, Mr Maurice J. Kent, production director and Mr Dennis Locke, engineering director.

★

Mr Edward Adeane has been appointed a director of HAMBROS BANK.

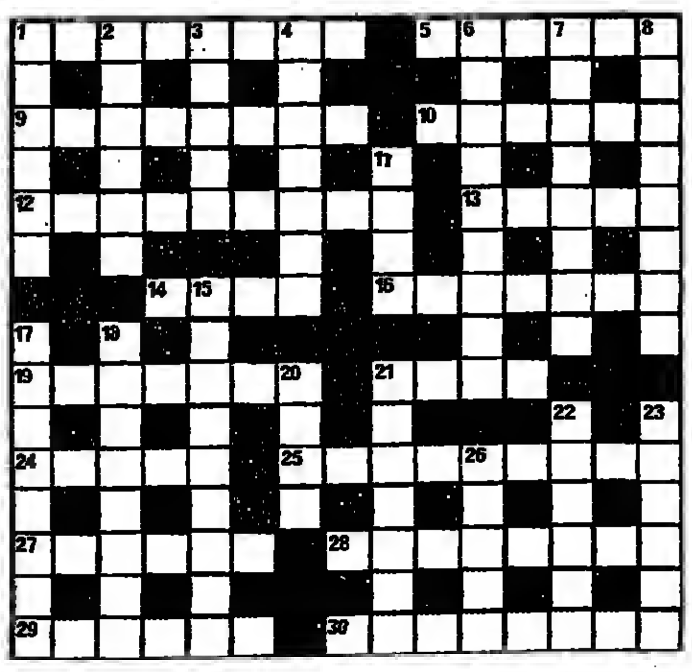
★

Prof Charles A. E. Goodhart has been appointed a non-executive director of GERRARD & NATIONAL from April 7. Prof Goodhart was a chief economic adviser at the Bank of England from 1977-1985 and is now Sosnow Professor of Banking and Finance at the London School of Economics and Political Science. Mr A. S. R. Jones and Mr D. H. Baxendale have been appointed directors from the same date.

★

We have been asked to point out that, following the acquisition of ERC Energy Resource Consultants by Robertson Research, Mr David R. Keith remains chairman and managing director, and Hr David C. Wilson remains technical director of ERC.

F.T. CROSSWORD PUZZLE No. 5,980



ACROSS

1 Do local magistrates sit on one? (3-5)
5 Strait producing semi-crab on Thames at Oxford (6)
9 American disaster film (8)
10 Rose to settle in tract of high ground (6)
12 Dr A. Ridge's prescription for cold shoulder? (9)
13 Bend in the Spanish curtsy (5)
14 Mark the place (4)
16 Air-inlet under the bridge (7)
19 Disappointment brings grimace after tea (7)
21 Stops goals (4)
24 Such walk would need a team following, in Lakeland town (9)
25 Particular about his masque (9)
27 First major prophet to follow song of Solomon? (6)
28 Closure produced this injunction from Wenceslas, changing his mind (8)
29 Burning forest takes time —— (6)
30 —— er ——energy used up the foliage (8)

DOWN

1 Notice in medley-race covered walk (6)
2 Hemingway's grave, some say (6)
3 Strange English lake (5)
4 Bond in the case of a lady (7)
6 Herd in gross kept under control (9)
7 Weapon-protector of a black-leg poet (8)
8 New York pedestrians' way was liked for a change (8)
11 God of noise abatement? (4)
15 Police ran wild in China (9)
17 Neuralgia of C. Asiatic origin? (8)
18 It is no longer called Port Said, we hear (8)
20 Retreat from one's territory (4)
21 A torque damaged in the Circle Line (7)
22 Outpouring of one in business (6)
23 Having the character of Leicester, for example? (6)
26 Cox, perhaps, could be very quiet in the drink (5)

The solution to last Saturday's prize puzzle will be published with names of winners next Saturday.

PENDING DIVIDENDS

Dates when some of the more important company dividend statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's announcements except where the forthcoming board meetings (indicated thus*) have been officially notified. Dividends to be declared will not necessarily be at the amounts in the column headed "Announcement last year."

	Date	Announcement last year
*Assoc British Ports	Apr 2	Final 5.5
*BAT Industs	Mar 25	Final 6.25
BCI	Apr 25	Final 14.0
*BICC	Mar 26	Final 7.04
BPCC	Apr 17	Final 8.0
*BSG Intl	Apr 2	Final 0.65
*Babcock Intl	Mar 26	Final 4.3
*Bank of Scotland	Apr 23	Final 8.25
Baezor (C. M.)	Mar 26	Interim 4.0
Bilton (P.)	Apr 22	Final 6.6
*Beaker McConnell	Mar 25	Final 6.25
*Bowater	Apr 15	Final 5.0
Brammer	Apr 2	Final 7.5
*Brent Chems	Mar 24	Final 2.75
*Bridon	Mar 26	Final 2.8
Britannia Arrow	Mar 27	Final 1.4
*British Aerospace	Mar 26	Final 8.4
*British Car Auction	Mar 25	Interim 1.25
Brixton Estate	Apr 17	Final 3.05
*Brown Boveri Kent	Mar 26	Final 1.5
*Bunzl	Apr 2	Final 4.25
Burmah Oil	Apr 11	Final 7.25
Burton	Mar 27	Interim 2.5
*Coates Bros	Apr 2	Final 3.2
*Combined Eng Stores	Mar 25	Final 2.94
*Cookson	Apr 10	Final 8.25
*Croda Intl	Mar 27	Final 4.0
Eastern Produce	Apr 2	Final 7.5
*Enterprise Oil	Apr 2	Final 5.0
Etam	Apr 17	Final 2.1
Evered	Apr 2	Final 1.6
Flight Refuelling	Apr 26	Final 2.025
*Glaxo	Apr 15	Interim 8.0
*Glynwed Intl	Apr 7	Final 8.0
*Guardian Royal Exchange	Apr 2	Final 17.5
Hall (Matthew)	Apr 17	Final 6.525
Hammerson Prop	Apr 19	Final 8.5
Harris Queensway	Apr 18	Final 2.75

	Date	Announcement last year
Hawker Siddeley	Apr 12	Final 7.7
Hepworth (J.)	Apr 15	Interim 1.0
*Hickson Intl	Mar 24	Final 10.0
Higgs and Hill	Apr 3	Final 7.8
Hams Cherm	Mar 26	Final 1.75
*Horizon Travel	Mar 26	Final 3.62
*IMI	Mar 24	Final 2.5
*Ibstock Johnsen	Apr 3	Final 5.5
*Kwik Save	Apr 18	Interim 1.4
Laporte Inds	Apr 18	Final 5.55
Laing (J.)	Apr 24	Final 0.25
Laird	Mar 29	Final 3.2
*Leame	Mar 25	Final 7.7
Low (Wm)	Apr 19	Interim 4.0
*Lucas Inds	Mar 26	Interim 2.6
*Metal Closures	Mar 26	Final 4.5
HEI	Apr 17	Final 3.6
*Ocean Transport	Apr 2	Final 3.35
*Pentland	Apr 7	Final 2.1
*P & O	Mar 25	Final due
*Prudential	Mar 25	Final 15.0
RMC	Apr 17	Final 8.8
*Reckitt and Colman	Apr 3	Final 8.8
Rio Tinto Zinc	April 17	Final 13.5
*Rugby Portland Cement	Apr 7	Final 3.3
Samuel Props	Apr 25	Interim 1.6
*Slough Ests	Apr 1	Final 3.0
Smiths Inds	Apr 10	Interim 1.5
Staffs Potts	Mar 26	Interim 1.0
Standard Chartered	Mar 26	Final 19.0
*Steetley	Mar 24	Final 7.8
*Sun Alliance	Apr 2	Final 9.75
*Taylor Woodrow	Apr 15	Final 11.0
Travis and Arnold	Apr 15	Final 5.97
*Tricentrol	Mar 26	Final 6.0
*United Newspapers	Mar 25	Final 9.0
Ward White	Apr 18	Final 4.0
*Weir	Apr 3	Final 2.125
*Wimpey (G.)	Apr 24	Final 2.4
*Woolworth	Mar 26	Final due

* Board meeting intimated. † Rights issue since made. ‡ Tax free. § Scrip issue since made. ¶ Forecast.

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1985 High	1985 Low	Stock	Closing price	+ or −	Net Divi.	Times covered	Gross Yield	P.E. Ratio
§150	F.P.	19/4	194	180	‡BPP Hldgs. 10p	194	+2	R5.0	2.8	3.7	17.0
¶¶	F.P.	—	140	125	Chillington Corp	150	+5	—	—	—	—
¶¶	F.P.	—	68	55	Do. Defd.	68	+1	—	—	—	—
155	F.P.	18/4	195	188	Gold Greenlees T. 5p	193	+5	R2.9	3.3	2.1	21.1
§105	F.P.	19/4	165	138	Jarvis Porter 10p	138	−2	R3.3	2.6	5.4	15.9
105	F.P.	14/3	145	112	Macro 4 5p	138	−1	R1.0	5.5	1.0	21.2
§120	F.P.	24/4	140	134	‡Menvier-Swain 5p	137	−1	R2.6	3.5	2.6	15.5
§145	F.P.	4/4	177	156	PPL 10p	170	−4	s2.5	6.0	2.1	11.3
‖	F.P.	—	900	775	Rodime 5p	775	......	—	—	—	7.0
§80	F.P.	4/4	96	85	‡Spice 5p	96	+1	u2.9	9.0	4.3	12.4
015	F.P.	1/8	234	215	Templeton Galbraith	233	......	Q5.87c	8.5	1.8	21.9
100	F.P.	27/3	103	95	Throgmorton USM	102	......	—	—	—	—
120	F.P.	24/3	238	156	Wellcome	217	+7	s2.06	8.8	1.4	23.8
—	F.P.	—	29	11	Westland Warrants	29	......	—	—	—	—

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1986 High	1986 Low	Stock	Closing price £	+ or −
88.256	£30	25/4	36	30½	American Medical Intl. 9¾% Uns.Ln.2011	35	−½
198.267	£25	19/5	35½	05½	Centrovincial Ests.11¾%1st Mort Db.2016	35⅛	+½
¶¶	F.P.	—	119p	110p	Chillington 3½% Cum. Red. Pref.	119p	+1
§100	F.P.	—	108⅝	108½	CALA 10.8% Red. 2011	108⅝	......
¶¶	F.P.	—	135p	125p	Devenish (J.A.) 4.5% Cnv Cnd. Pref.	133p	+8
—	F.P.	27/4	110p	105p	‡Electron-H'se 6½% Cnv. Cum Red Prf	107p	......
§99.11	F.P.	10/4	109	99¼	Hampton Tst. 11¼% 1st. Mort. Deb. 2025	107½	−½
94.317	£30	9/5	35¼	19⅞	Inter-Am Dev Bk 9¾% Uns Ln 2015	36¼	......
‖	Nil	25/4	124p	107p	Lawrence (W.) 8.5% Cnv.Cum.Red Pref.	124p	+1
—	F.P.	—	101⅛	100¼	Nationwide Bldg. Soc. 12⅛% 2/3/87	101⅛	+⅛
¶¶	F.P.	4/4	190p	140p	‡Parkfield 7% Cum. Cnv. Prf. 2005	190p	+12
‖	F.P.	16/4	105p	103p	Porter Chad. 8% Cnv.Cum.Red.Prf. '93	104p	......
§97.965	£25	25/4	35¾	25½	Samuel Props. 11% 1st. Mort.Deb.2018	38¾	+1¾
§99.486	£98	—	28	24¼	S.E. 10⅛% Mort. Deb. 2015	07⅞	−⅛

RIGHTS OFFERS

Issue price	Amount paid up	Latest Renunc. date	1986 High	1986 Low	Stock	Closing Price	+ or −
140	Nil	—	285pm	255pm	‡Alida Hlgs.	266pm	+25
000	Nil	—	75pm	55pm	Cullens Hldgs. 10p	75pm	......
5½	F.P.	11/4	10	7½	Dares Ests. 5p	8½	+½
150	Nil	—	68pm	59pm	Heywood Williams	66pm	......
330	F.P.	9/4	410	380	‡High Point Services 10p	395	−5
255	Nil	30/4	50pm	35pm	KLP 5p	50pm	+5
70	F.P.	7/4	91	75	Kent (J.) 5p	78	......
890	Nil	24/4	122pm	68pm	‡ N.M.W. Computers	122pm	+7
100	Nil	—	70pm	46pm	Thomson T-Line	70pm	+12
11	Nil	—	9½pm	5½pm	Tranwood 5p.	9½pm	+1
115	F.P.	25/4	151	130	Wates (City of London)	151	+2
425	Nil	—	146pm	137pm	Wolseley Hughes	146pm	......

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimates. *g* Assumed dividend and yield. F Forecast dividend cover on earnings updated by latest interim statement. H Dividend and Yield based on prospectus or other official estimates for 1986. R Forecast annualised dividend, cover and p/e ratio based on prospectus or other official estimates. *r* Indicated dividends: cover relates to previous dividend; p/e ratio based on latest annual earnings. *u* Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. ¶ Issued by tender. ‖ Offered holders of ordinary shares as a "rights." ‡‡ Introduction. ** Issued by way of capitalisation. § Placing price. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ■ Allotment price. ‡ Unlisted securities market. ‡‡ Dealt in under Rule 535 (3). ♥ Dealt in under Rule 535 (4) (a).

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

[illegible]

CONTINUED OVERLEAF

AUTHORISED UNIT TRUSTS & INSURANCES

Pearl Trust Managers Ltd (a)(g)
252 High Holborn, WC1V 7EB 01-405 8441

Pearl Growth Fd.	88.4	94.0	+0.7	2.35
Accum Units	130.5	138.8	+1.1	2.35
Pearl Inc.	120.8	128.5	+1.0	3.92
Pearl Unit Tst.	127.5	135.6	+1.2	3.06
(Accum. Units)	218.2	232.1	+2.0	3.06
Pearl Int'l Equity	119.3	126.9	-0.1	1.65
(Accum Units)	119.3	126.9	-0.1	1.65

Perpetual Unit Trust Mngmt. (a)
48 Hart Street, Henley on Thames 0491 576868

International Growth	256.1	274.8	---	1.21
Income	188.2	201.3	---	4.99
Worldwide Recovery	143.7	154.2	---	1.87
American Growth	69.1	74.2	---	0.95
Int'l. Emerging Cos.	77.6	83.3	---	0.61
Far East Growth Fd.	60.3	64.7	---	1.06
European Growth Fd	54.9	58.9	---	2.00

Prolific Unit Trusts
222 Bishopsgate, London EC2 01-247 7544/7

Prolific American Inc	55.4	58.9	+0.1	4.87
Prolific Far East	140.0	150.5	-0.3	0.45
Prolific Extra Inc	81.8	86.7	+0.7	5.01
Prolific C'vert & Gilt	96.7	102.5	+0.8	5.80
Prolific High Inc	177.0	187.7	+1.5	4.01
Prolific Intl	103.4	111.2	+0.1	1.28
Prolific N. Amer.	138.2	148.6	+0.5	2.08
Prolific Spec. Sits	199.0	211.0	+1.4	1.23
Prolific Technology	114.0	122.6	-0.5	0.60

Providence Capital Fd. Mgrs. Ltd
30 Uxbridge Road, London W12 8PG 01-749 9111

Japan Inc	64.0	68.1	-0.4	0.00
Japan Acc	64.2	68.3	-3.4	0.00
Worldwide Inc	65.3	69.5	+0.4	1.40
Worldwide Acc	66.0	70.3	+0.4	1.40
European Tst Inc	81.1	86.3	+0.3	0.62
European Tst Acc	81.4	86.6	+0.4	0.62
North American Inc	56.4	60.1	+0.2	1.64
North American Acc	57.1	60.8	+0.1	1.63
UK Equity Inc	65.7	69.9	+0.7	2.59
UK Equity Acc	67.3	71.6	+0.7	2.59

Provident Mutual Unit Trust Managers Ltd.

INSURANCES

INSURANCE, OVERSEAS & MONEY FUNDS

OFFSHORE AND OVERSEAS

Money Market Trust Funds

Money Market Bank Accounts

J. Henry Schroder Wagg & Co Ltd
Enterprise House, Portsmouth 0705 827733

Western Trust & Savings Limited
The Moneycentre, Plymouth PC 15E 0752 24141

NOTES—Gross: rate to those exempt from composite rate of tax. Net: actual rate after deduction of CRT. Gr Equiv CAR Gross equivalent to basic rate taxpayers—compounded annual rate. Int Cr: frequency interest credited.

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. * Guernsey gross. ø Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ● Yield column shows annualised rates of NAV increase ad ex dividend.

TRADITIONAL OPTIONS

3-month call rates

Industrials	p		
Allied-Lyons	28	Marks & Spencer	13
BAT	26	Midland Bk	35
BOC Grp	27	NEI	10
BSR	8	Nat West Bk	55
BTR	33	P & O Dfd	35
Babcock	13	Plessey	14
Barclays	33	Polly Peck	21
Beecham	30	Racal Elect	15
Blue Circle	50	RHM	12
Boots	24	Rank Org Ord	35
Bowaters	30	Reed Intnl	60
Brit Aerospace	32	Sears	11
Brit. Telecom	17	TI	35
Brown (J.)	3½	Tesco	24
Burton Ord	45	Thorn EMI	34
Cadburys	13	Trust Houses	12
Charter Cons	38	Turner Newall	9½
Comm Union	23	Unilever	90
Courtaulds	13	Vickers	35
Distillers	36	Wellcome	19
FNFC	12	**Property**	
Gen Accident	55	Brit Land	14
Gen Electric	14	Land Secs	26
Glaxo	100	MEPC	26
Grand Met	30	Peachey	24
GUS 'A'	70	Samuel Props	15
Guardian	60	**Oils**	
GKN	20	Brist. Oil & Min.	3½
Hanson Tst.	18	Brit Petroleum	45
Hawker Sidd	36	Burmah Oil	27
ICI	42	Charterhall	4
'Imps'	16	Premier	5
Jaguar	27	Shell	55
Ladbroke	27	Tricentrol	10
Legal & Gen	60	Ultramar	18
Lex Service	24	**Mines**	
Lloyds Bank	35	Cons Gold	40
Lucas Inds	38	Lonrho	12
		Rio T Zinc	50

A selection of Options traded is given on the London Stock Exchange Report Page.

LONDON SHARE SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Interest Due	Stock	Price £	Last xd	Yield Int.	Yield Red.
11Oct 11Apr	Treas. 10pcCnv 1986	99¼xd	5.3	—	—
19 Nov 19 May	Treas 3pc 1986	98¼	14.10	3.04	11.31
19 Nov 19 May	Exch. 10½pc 1986	99¾	14.10	10.52	11.50
12Dec 12Jun	Treas 12pc 1986	100⅜	5.11	12.00	10.62
10 Jan 10 Jul	Treas 8¼pc 1984-86‡‡	99¼	4.12	0.55	10.62
29 Apr 29 Oct	Exch. 14pc 1986	102	23.9	13.73	10.39
21 May 21 Nov	Exch. 2½pc 1986	98⅞	15.10	2.60	8.50
22Jul 22Jan	Exch. 13¼pc 1987	102½	16.12	12.93	9.97
10 Aug 10 Feb	Treas 10¼pcCv '87	100¼	6.1	10.23	9.90
24Aug 24Feb	Exch 2½pc 1987	94¾	20.1	2.63	8.30
6Oct 6Apr	Exch. 10½pc 1987	100½xd	3.3	10.45	10.00
1 Nov 1 May	Funding 6½pc '85-87‡‡	96⅞	25.9	6.71	9.61
12Dec 12Jne	Treas. 10pc 1987	100	5.11	10.00	9.96
14Jan 14Jly	Treas 3pc 1987	93¾	9.12	3.20	8.13
3May 3Nov	Treas. 12pc 1987	102⅞	27.9	13.69	10.12
26 Jul 26 Jan	Treas 7¾pc 1985-88‡‡	97¼	20.12	7.98	9.46
10Nov 10May	Exch 10½pc '88	101¼	4.10	10.38	9.90
14Dec 14Jne	Treas 9½pc Cv '88	97¾	7.11	9.76	9.79
1Jan 1Jul	Transport 3pc '78-88	90⅛	25.11	3.33	7.86
25 Apr 25 Oct	Treas 9½pc '88	99⅜xd	19.3	9.57	9.82
22 Aug 22 Feb	Treas 11½pc 1989	104¼	16.1	11.01	9.73
18 Oct 18 Apr	Treas 9½pc Cnv. '89	100¼xd	12.3	9.43	9.23
15Nov 15May	Treas 3pc 1989	86¾	9.10	3.46	7.84
14Dec 14Jan	Treas 10½pc 1989	101⅝	7.11	10.31	9.81
1Feb 1Aug	Exch.10pc 1989	100⅛	27.12	9.96	9.84
29 Mar 29 Sep	Exch 11pc 1989	103½xd	20.2	10.63	9.79
15 Apr 15 Oct	Treas 5pc 1986-89	89⅛xd	10.3	5.59	8.51
15 May 15 Nov	Exch 10¼pcCv '89	106⅞	—	9.59	8.02
15 Jul 15 Jan	Treas 13pc 1990‡‡	110¾	9.12	11.74	9.55
12 Aug 12 Feb	Exch 11pc 1990‡‡	104⅝	6.1	10.52	9.56
22 Sep 22 Mar	Exch. 12½pc 1990	109½xd	13.2	11.42	9.58
8 Nov 8 May	Treas. 3pc 1990	83	2.10	3.61	7.91
15 Dec 15 Jun	Treas 8¼pc 1987-90‡‡	96½	8.11	8.55	9.26
25 Apr 25 Oct	Treas. 10pcCv 1990	102¼xd	19.3	9.77	9.36
22 May 22 Nov	Exch 2½pc 1990	80¼	—	3.12	7.61
10Ja 10Jan	Treas 11¾pc 1991	108½	4.12	10.83	9.49

Five to Fifteen Years

Interest Due	Stock	Price £	Last xd	Yield Int.	Yield Red.
5Oct 5Apr	Funding 5¾pc '87-91‡‡	91⅝xd	3.3	6.28	7.80
25Apr 25Oct	Exch. 11pc 1991	107¼xd	19.3	10.26	9.31
22Jly 22Jan	Treas 12¾pc 1992‡‡	115¼	16.12	11.05	9.27
21Aug 21Feb	Treas 10pc 1992	104¼	15.1	9.59	9.05
7 Nov 7 May	Treas 10½pc Cv 1992‡‡	106	1.10	9.91	9.20
25 Feb 25 Aug	Exch. 12¼pc '92	113¾	20.1	10.78	9.38
22Mar 22Sep	Exch 13½pc 1992	119⅝xd	13.2	11.29	9.39
15Oct 15Apr	Treas 10pc 1993 (£20pd)	29⅞	—	9.60	9.18
14Jan 14Jul	Treas 12½pc 1993‡‡	116⅝	9.12	10.72	9.31
15Mar 15Sep	Funding 6pc 1993‡‡	88⅞	6.2	6.75	8.00
23May 23Nov	Treas 13¾pc 1993‡‡	123¼	17.10	11.16	9.41
1 Sept 1 Mar	Treas 14½pc 1994‡‡	128½	23.1	11.28	9.33
27Oct 27Apr	Exch 13½pc 1994	122¼xd	21.3	11.03	9.49
22Feb 22Aug	Exch. 12½pc 1994	117⅜	16.1	10.63	9.42
17May 17Nov	Treas 9pc 1994‡‡	99⅜	11.10	9.06	9.10
25Jul 25Jan	Treas 12pc 1995	115⅜	14.12	10.40	9.39
1Nov 1May	Gas 3pc '90-95	76⅝	25.9	3.92	6.45
21Jan 21Jul	Exch. 10¼pc 1995	106⅞	16.12	9.68	9.29
15May 15Nov	Treas 12¾pc 1995‡‡	121¼	9.10	10.52	9.35
22Jly 22Jan	Treas. 14pc '96	128¾	16.12	10.87	9.44
15Sep 15Mar	Treas 9pc 1992-96‡‡	99¾	6.2	9.02	9.04
3Nov 3May	Treas 15¼pc 1996‡‡	137⅞	27.9	11.12	9.46
15Nov 15May	Exch 13¼pc 1996‡‡	125½	9.10	10.56	9.31
[illegible]	[illegible]	81½xd	24.2	3.73	5.32

Over Fifteen Years

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

AMERICANS—Cont.

CANADIANS

BANKS, HP & LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES & SPIRITS

BUILDING, TIMBER, ROADS

BUILDING, TIMBER, ROADS—Cont.

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY & STORES—Cont.

ELECTRICALS

ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

هكذا من الأصل

INDUSTRIALS—Continued

Dividends Paid		Stock	Price	Last xd	Div Net	C'vr	Y'ld Gr's	P/E
July	Jan	Midland Marts	104	25.11	4.0	2.1	5.5	12.4
Jan	May	Mitchell Cotts	46xd	10.3	4.25	1.5	9.2	9.3
—		Mouln & Crane 10p	103	—	R2.7	2.7	3.7	14.2
Jan.	July	Morgan Crucible	267	11.11	8.5	1.6	4.5	18.5
	May	[illegible] F.A. 20p	29	—	0.5	♦	2.8	♦
Jan	Aug.	[illegible] 10p	109	25.11	3.0	2.7	3.9	11.7
	July	Myson Grp 10p	96	24.2	N2.63	3.4	3.9	18.2
Nov	June	[illegible] Computers	340xr	24.2	6.0	♦	0.9	[illegible]
Mar	Sept.	Nash Inds	48	13.1	0.5	—	1.8	—
—		Neil & Spencer 10p	23	9.81	—	—	—	6.9
Jan	July	Newman Inds 10p	30	14.10	20.3	—	1.4	14.3
April	Dec	Nolton	57	11.11	0.95	5.9	2.4	8.1
—		Norsk Systems 5p	134	—	3.0	♦	3.7	♦
Jan.	Aug.	Norcros	258	23.12	18.6	2.0	4.8	14.0
Oct	April	Nu-Swift 5p	63	14.10	3.0	1.9	6.6	10.2
Feb.	Aug.	Oakwood Grp	90	27.1	5.0	1.3	7.9	12.5
Dec	July	Office & Elect	220	28.10	7.5	2.6	4.9	11.3
October		Ofrex 20p	108	10.2	4.0	2.6	5.7	0.9
—		Optometrics $0.01	36	—	0.02	2.1	4.4	12.1
May	Nov	Orrmand £1	650	30.9	24.5	♦	3.9	♦
Jan.	June	Ovenstone 12½p	38	25.11	3.73	1.9	10.5	5.0
May	Nov.	Oxford 9pc Cnv 87-92	£275	15.4	Q9%	—	13.5	—
December		PPC7 Grp 10p	108	25.11	3.2	1.2	5.7	24.6

LEISURE—Continued

PROPERTY—Continued

INVESTMENT TRUSTS—Cont.

FINANCE, LAND—Cont.

MINES—Continued

O.F.S.

Diamond and Platinum

Central African

Finance

Australians

Tins

Dividends Paid		Stock	Price	Last xd	Div Net	C'vr	Gr's
Apr.	Nov.	Ayer Hitam SM1	145xd	10.3	0155c	1.5	‡
July		Geevor	50	17.6	‡12.0	1.9	‡
Jan	Sept	Gopeng Berhad M$0.50	50xd	10.3	g$0.16	♦	11.1
—		Hongkong	650#	6.81	—	—	—
May		Jantar 12½p	21	15.4	2.5	♦	17.0
Dec	Aug	Malaysia Mng. 10c	10	11.11	‡v06c	2.4	‡
—		Pahang	27#	—	B—	—	—
—		Pengkalen 10p	200	4.83	—	—	—
December		Petaling SM1	180	25.11	v060c	0.2	16.6
September		Sungei Besi SM1	105	12.8	‡v043c	—	‡
—		Tanjong 15p	105	6.81	—	—	—
Sept.	Mar.	Tongkah H. Tin SM1	80	21.5	v023c	1.2	8.5
Oct	July	Tronoh SM1	205	2.9	v064c	1.1	16.9

Miscellaneous

Dividends Paid		Stock	Price	Last xd	Div Net	C'vr	Gr's
—		Anglo-Dominion	30	—	—	—	—
—		Anglo Utd Dev	31	—	d1.05	♦	4.0
—		Colby Res Corp	50	—	—	—	—
Aug.	Feb.	Cons. Murch. 10c	200	13.1	‡a006½c	3.9	‡
—		Emew Int. h10p	34	—	—	—	—
—		Greenwich Res	95	—	—	—	—
Apr	Oct	Hampton Areas 10p	120	23.12	3.75	0.9	4.2
—		Highwood Res	232	—	—	—	—
Fb Jan Ag Nv		Homestake Mining $1	£16¼	30.1	020c	—	0.8
—		McFinley Red Lake	220	—	—	—	—
—		Mosto Explorations	245	—	—	—	—
—		New Sabina Res C$1	45	—	—	—	—
—		Northgate E$1	225	9.77	—	—	—
Jan.	July	RTZ	755	28.10	†20.0	2.0	3.8
Jan	July	Do. 9⅝pcLn '95-2000	£156	28.10	Q9½%	14.0	6.2
—		Tara Expln $1	912	—	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

● "Tap Stock"

Z Dividend total to date

Abbreviations: xd ex dividend, xc ex scrip issue, xr ex rights, xa ex all, xl ex capital distribution

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv 20p	105	..	Fin. 13% 97/02	£129	+½
Craig & Rose £1	£13½	.	Arnotts	335	+5
Finlay Pkg. 5p	47		EPI Hldgs	60	+3
Holt (Jos) 25p	270	−20	Carroll Inds	124	.....
IoM Stm. £1	75	.	Dublin Gas	60	.....
			Hall (R. & H.)	72	.
IRISH			Heiton Hldgs	38	.....
Fund 11¼% 1988	£100	.	Irish Ropes	60	
Nat. 9¾% 84/89	£98⅝	.	Unidare	160xd	..

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CONSTRUCTION CONTRACTS

Battersea leisure complex takes shape

BY JOAN GRAY, CONSTRUCTION CORRESPONDENT

SIR ROBERT McALPINE is in the running for an £18m contract from Alton Towers Ltd fnr work at its planned leisure complex inside the nld Battersea power station building on the banks of the Thames in West London.

Alton Towers already runs the second largest leisure park in the world—rivalled nnly by Disney World—in the grounds of its stately home at Alton Towers in Staffordshire.

Chairman Mr John Broome is now planning tn spend £53m turning the disused power station at Battersea into "an under-cover version of Alton Towers—a combination nf Covent Garden upmarket shopping centre and high technology family entertainment theme park."

"We hope to start work in May," said Mr Broome. "We have not appointed a contractor yet, but are in close liaison with Sir Robert McAlpine."

Sir Robert McAlpine has just finished building the latest attraction at the Alton Towers park in Staffordshire: a £2m-plus water ride designed to simulate a family trip on the Colorado River through the Grand Canyon rapids. The £1.3m Towers Street shopping centre is designed to rival Disney Land's "Main Street."

The Grand Canyon replica is the longest rapids ride in the world—750 metres long through a 16-acre site—and will earn the park an estimated £2m a year.

The contractor's successful track record in this work already completed at Alton Towers makes it a leading tender for both future contracts for this park—where tha possibility of a monorail railway is now heing investigated—and on the new development at Battersea.

"They are a high-quality contractor with the relevant skills and a record nf good performance" said Alton Towers' finance director, Mr Graham McCallum.

"You can't just go nn tha lnwest tender in this business," he said "because nf the tight deadlines and the need tn produce at the right quality."

The Battersea power station contract could go out to tender said Mr Broome. "But we know McAlpine pull their finger out" he added graphically.

Civil engineering work nn the Grand Canyon ride involved excavating 42,000 cubic metres nf rock and soil, creating a series nf curves and concrete chutes with obstacles, tn simulate rapids. Mock waterfalls mimick the parting nf the waters nf the Red Sea. Up to 2,600 people an hour can ride the white water in self-steering rubber tyre boats in what Mr Broome describes as "an experience fnr every member nf the family: thrills and spills without the G forces which normally rule nut the ride fnr everyone except teenagers."

Construction work nn the ride had to proceed nn a fast track throughout bitter winter weather. Work started last August and was completed nn schedule yesterday.

This involved working through temperatures nf around minus 12 degrees C. for five weeks when no other site in the district was working, and frost formed on the outside nf the contractors' face masks. Gas heaters, tarpaulins and shelters over the site had to be used tn raise the temperature tn above minus 3 degrees C. so that concrete could be poured.

Fitting out Broadgate

BOSSER & RUSSELL BUILDING SERVICES has been awarded three contracts worth a total of £6.5m. The primary contract, awarded by Bovis Construction is for £4m for fitting out a building on the Broadgate development at Liverpool Street for American Express. The contract covers installation of mechanical services. The overall contract is worth £20m and is expected to be one of the fastest construction programmes ever undertaken, at only five months to completion. The second contract worth around £1.15m, has been awarded hy Higgs & Hill Building for the design and installation of mechanical, electrical and plumbing services at 1 Cornwall Terrace, NW1. The third contract has been awarded by Surrey County Council for specialist services to upgrade the heating systems in schools situated in north west and south west Surrey. The contract is worth £1m pa and is expected to last for 3-4 years.

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CHEMICAL AND THERMAL ENGINEERING (Biwater process plant), Wilmslow, has been awarded a contract to design and huild the £5m BP hitumen plant at Llandarcy, West Glamorgan. Work will begin in late autumn and the new plant, expected to make 200,000 tonnes of bitumen annually, is anticipated to be in production in the first quarter of 1987.

BALFOUR BEATTY BUILDING has been awarded four contracts totalling £2.56m. London and Metropolitan Estates has placed a £1.7m contract for construction of a four-storey office huilding totalling 25,100 sq ft at London Rd, Camberley, on the old post office site. Work has started for completion by December. British Airways Property Board has awarded three refurbishment contracts. Work valued at £248,000 will be carried out at Technical Block E at Heathrow Airport, in the Tristar Simulator Building at Hounslow, worth £263,000, and at Queen's Building also at Heathrow, to the value of £350,000. These three contracts are for completion hy June.

Accrington shopping mall scheme

Accrington's largest shopping development at the Arndale Centre, on which CONDER PROJECTS MIDLANDS of Burton-on-Trent, part of the Conder Group, began work in February for client Town & City Properties, has already attracted High Street names such as John Menzies, Dixons, Dorothy Perkins and Burtons.

Covering 142,000 sq ft and costing £7m, the development is being built on the Hyndburn Borough Council's Broadway car park site. When completed in August 1987, the project will provide 200 new permanent jobs.

The two-storey Mall will house 29 shops in an L-shape and will have a vaulted glass roof. There will be a multi-storey car park for 600 cars. The Mall will he linked to the existing Arndale block, where Marks & Spencer and Woolworths are already located. Access will be by a new road taken off the Hyndburn Link road to the M65 motorway.

The importance of this project to Accrington was recognised by the Department of the Environment which is making a grant of £1.75m.

Town centre development for Ayr

Contracts together worth over £20m have been won hy BALFOUR BEATTY companies. The largest order is from London and Caltrust which has awarded Balfour Beatty Construction a £7.2m contract in the town centre of Ayr to construct a two-storey reinforced concrete-framed huilding to provide a shopping centre and mall. Car parking, service yard and landscaping are included in the contract which is due for completion in September 1987.

The construction company has also been awarded the A813 Bonhill improvement scheme by Strathclyde Regional Council. The work, to be completed in two years, is valued at £2.35m. It includes diversion of the A813 through Bonhill and a hridge over the River Leven. Roadworks will include 1.5 km of 7.3 metres wide carriageway in flexihle construction with 0.85 km of side roads.

Construction work on the Preston Riversway Development has been put in band hy Balfour Beatty Developments. Tha construction company will huild phase I which includes a 7,000 sq metres superstore, a petrol station and a tyre and exhaust centre. Estimated value is £3m, whila infrastructure and road works will amoun to a further £1.5m.

Balfour Kilpatrick has a contract for mechanical and electrical services at Barkers of Kensington department store. The contract, valued at £6.5m, is part of a redevelopment scheme which involves refurbishment to produce two new offica buildings situated above the store—each floor ona acre in area.

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JOHN WILLMOTT CONSTRUCTION has been awarded a contract worth around £1m by the *Automobile Association* for a transport depot at South Mimms near Potters Bar.

Leisure centre for New Malden

BERNARD SUNLEY & SONS has been awarded four contracts totalling £9m in Buckingham, Harlow, Croydon and New Malden.

The Royal Borough of *Kingston - upon - Thames* has awarded a £2.9m contract to build the village centre at Blagdon Rd, New Malden, Surrey. The community and sports centre development incorporates a 25-metre swimming pool, teaching pool, community hall, har, cafeteria and various adult education accommodation together with voluntary services premises. Included in the project are all associated roads, car parking, landscaping and a remodelled and extended town park.

At Sydenham Rd, Croydon, work has started on a £2.45m office for Eagle Star Properties. The five-storey air-conditioned building includes a basement and roof plant enclosure area and is finished in double-glazed curtain walling with colour-coated aluminium cladding. Work has also started on a £2.7m contract at the Broadwalk, Harlow, to huild a retail and office development funded by Lazard Property Unit Trust, for Sunley Holdings. The five-storey hullding comprises two retail stores for occupation hy Boots and C & A, together with 11,500 sq ft of offices.

The University of Buckingham has appointed Sunleys to extend its existing science laboratory and huild three-storey residential accommodation with an overall contract value of about £750,000.

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JAMES LONGLEY & CO is constructing a £1.9m office huilding for the Lazard Property Unit Trust at Station Rd, Redhill. The four-storey development, which will have an adjacent two-storey car park, comprises 24,000 sq ft of office space and provides for a footpath linking Station Rd with Dome Way. Work is scheduled for completion in March 1987.

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A £1.1m management contract lasting 28 weeks has been awarded to HENRY BOOT NORTHERN for a 3,000 sq metres extension to tha Noxell Corporation's manufacturing and packaging factory at Flanshaw Way, Wakefield. The steel portal frame construction will feature profiled metal cladding and decking, and a complex interface with the existing factory to maintain production throughout the building operations. Offices and canteen facilities are included. Henry Boot has also started work on a low-level pumping station at Lundwood sewage treatment works, off the A628 Pontefract road, near Barnsley. The 71-week contract is worth over £700,000.

FINANCIAL DIARY FOR THE WEEK

The following is a record of the principal business and financial engagements during the week. The board meetings are mainly for the purpose of considering dividends and official indications are not always available whether dividends concerned are interims or finals. The sub-divisions shown below are based mainly on last year's timetable.

TODAY

COMPANY MEETINGS—
Associated Energy Services, Founders Court, Lothbury, EC, 10.30
Colne Valley Water, Blackwell House, Aldenham Road, Watford, 12.30
Temple Bar Investment, Watermen's Hall, 16 St Mary At Hill, EC, 10.30
West Kent Water, Cramptons Road, Sevenoaks, Kent, 10.15
Yeoman Investment Trust, 65 Buckingham Gate, SW, 12.30

BOARD MEETINGS—
Finals:
Assoc Steel Distributors
Barrow Hepburn
Brent Chemicals Intnl
Charterhall North America
Early's of Witney
Freemans
Frogmore Estates
GT Dollar Fund
Garton Engineering
Grampian Hldgs
Hall Engineering
Hickson Intnl
IMI
Kiearfold
Lamont
Palme
Petranol
Sovereign Oil & Gas
Spring Ram
Steetley
Technical Component Industries
Wimpey (George)
Interims:
Fleming Japanese Inv Tst
Halstead (James)
Magnetic Materials
Marray Ventures
Trafford Park Estates

DIVIDEND & INTEREST PAYMENTS—
Asian Development Bank 10¼pcLn 2009 (Reg) 5.125pc
Bank Fur Arbeit Und Wirtschaft Subord Fltg Rate Nts 2000 $449.20
Berkeley Technology 4.4cts
Fletcher Challenge 10.5cts
GW Overseas Finance NV Gtd Fltg Rate Nts 1994 $442.36
Grupo Industrial Alfa Fltg Rate Nts 1966 $252.76
International Bank For Rec & Dev 9¼pc Ln 2010 (Reg) £3.16
Mountview Estates 1p
Radio Rentals 8¼pcLn 1963-68 2.99558pc
Sidlaw 7½pcLn 2003-06 3.75pc
Spain (Kingdom of) 11¼pcLn 2010 (Reg) 5.675pc
Treasury 2½pc I-L 2001 £1.5208

TOMORROW

COMPANY MEETINGS—
Burmatex, Victoria Mills, Ossett, West Yorkshire, 12.00
Crest Nicholson, Ashley Park Hotel, Walton-on-Thames, Surrey, 12.00
Dew (George), Belgrade Hotel, Oldham, 12.00
Eastbourne Waterworks, 14 Upperton Road, Eastbourne, 11.45
General Cons. Inv Trust, 65 Buckingham Gate, SW, 2.45
Heavitree Brewery, Imperial Hotel, Exeter, 11.30
Howard Group, Lloyds, Lime Street, EC, 10.00
Imperial Group, Intercontinental Hotel, 1 Hamilton Place, SW, 12.00
Questel, Crest Hotel, Black Prince Interchange, Southwold Road, Bexley, Kent, 11.00
River Plate & Gen Inv Trust, Connaught Rooms, Great Queen Street, WC, 11.30
Sutton District Water, 39 Gander Green Lane, Cheam, Surrey, 12.30
TACE, Essex Hall, Essex Street, WC, 3.00
Talbex, Cafe Royal, 68 Regent Street, W, 12.00

BOARD MEETINGS—
Finals:
American Tst
Aquascutum
Booker McConnell
British Aerospace
Bryant Hldings
Canning (W.)
Chart Foulks Lynch
Cliffords Dairies
Combined English Stores
Comcap
Crowther (John)
EBC
Estates & General
Eucalyptus Pulp Mills
Goal Petroleum
HB Electronic Components
Iceland Frozen Foods
Johnson Group Cleaners
Keep Trust
London & Scottish Marine Oil
Martin (Albert)
Peninsular & Oriental Steam Navigation
Prudential
Rockware
Southampton, Isle of Wight and South of England Royal Mail Steam Packet
Standard Chartered
Sunbeam Wolsey
Tellos
Trade Indemnity
Utd Newspapers
Wills Grp
Wolstenholme Rink
Interims:
AB Electronic Products
British Car Auction
Close Brothers
Manson Finance Tst
Pinecharch US Growth Fund
Pressac

DIVIDEND & INTEREST PAYMENTS—
African Lakes 1.5p
Assoc British Foods 5¼pcLn 1987-2002 2.75pc, 7½pcLn 1987-2002 3.75pc
Centrovincial Estates 6¼pcLn 3.125pc
Chapman Inds 6½pc1stMtgDb 1993-98 4.25pc
Chartwood Alliance 7½pcLn 3.75pc
Chesebrough-Ponds 50cts
Cranbrook Electronic 0.5p
FAI Insurance 2.5cts
Gold Fields of South Africa 55cts
Goode Darrant & May 1.73p
Hanson Trust 8pcLn 2004-09 4pc
Heavitree Brewery 6.6p, A Lim Vtg 6.6p
Lonrho 9pc2ndMtgDb 1967-92 4.5pc, 12¼pc2ndMtgDb 1965-90 6.1675pc
M & G Commodity & General Fund Inc Units 1.7p
Metropolitan Water Chelsea WW 2½pcDb 1897 1.375pc
Mid-Sussex Water 3.325pc (fmly 4.75pc) IrrdPf 1.6625pc, 3.5pc (fmly 5pc) Pf 1965-67 1.75pc
New Kleinfontein Props 9cts
New Zeeland 11½pc 2014 5.25pc
Renold 6pc 1stDb 1991-96 4pc
Russell's Gravesend Brewery 2.1p
Scotland Intnl Finance Gtd Fltg Rate Nts 1992 $212.11
Sutton District Water 7pc (fmly 10pc) 3.5pc, 4.9pc (fmly 7pc) 2.45pc, 3.15pc (fmly 4½pc) Pf 1.575pc
Sweden (Kingdom of) Fltg Rate Nts 2024 $426.22
Tendring Hundred Waterworks 4½pcDb 2.25pc, 7½pcDb 1991-93 3.75pc
Trafalgar House 8pcLn 1994-99 4pc, 9½pcLn 2000-05 4.75pc

WEDNESDAY MARCH 26

COMPANY MEETINGS—
Folkestone & District Water, Cherry Garden, Cherry Garden Lane, Folkestone, Kent, 12.00
Gartmore Information & Fin Tst, 2 St Mary Axe, EC, 3.00
Leda Inv Trust, 131 Finsbury Pavement, Moorgate, EC, 12.30
Lincroft Kilgour, Institute of Directors, 116 Pall Mall, SW, 12.30
McAlpine (Alfred), Abbots Well Hotel, Whitchurch Road, Chester, 12.15
Meggitt, Waldorf Hotel, Aldwych, WC, 12.00
Rights & Issues Inv Trust, Dauntsey House, Frederick's Place, Old Jewry, EC, 2.00
Romney Trust, 21 Moorfields, EC, 2.45
Television South, The Brewery, Chiswell Street, EC, 12.00
Tendring Hundred Waterworks, Institute of Directors, 116 Pall Mall, SW, 12.00
Updown Investment, 12 Tokenhouse Yard, EC, 12.00
Williams (Rex) Leisure, Pedmore House, Ham Lane, Pedmore, West Midlands, 12.00
Wrexham & East Denb Water, 21 Egerton Street, Wrexham, 2.00
York Waterworks, Lendal Tower, York, 12.00

BOARD MEETINGS—
Finals:
Assoc Book Publishers
Aurora
BAT Industries
Babcock Intnl
PICC
Brioon
Britannic Assurance
Brown Boveri Kent
Cibns & Dandy
Horizon Travel
Lowe Howard-Spink & Bell
Lyon & Lyon
Matthews (Bernard)
Metal Closures
Monument Oil & Gas
Readymix
Rotork
Stag Furniture
Steel Burrill Jones
Senra
Tricentrol
VG Instruments
WW Group
Wold
Wood (Arthur) (Longport)
Woolworth
Interims:
Lucas Industries
Meanders (John)
Minerals Oils & Resources Shares Fund
Pitco
Precious Metals Trust
Really Useful
Young (H)

DIVIDEND & INTEREST PAYMENTS—
Cambridge Water 3.5pc (fmly 5pc) 1.75p, 4.2pc (fmly 6pc) Pf 1984-86 2.1p
Dew (George) 3.7p
EAG Finance Gtd Fltg Rate Nts 1990 $216.62
East Surrey Water 10pcPf 1966 5pc
Exchequer 12¼pc 1999 6.125pc
Halliburton 45cts
Markheath Securities 0.75p
National Bank of Canada Fltg Rate Dbs 1986 $215.25
River Plate & Gen Tst 8.5p
Sanwa Intl Finance Fltg Rate Nts 1966 $427.36
Treasury 13½pc 2004-06 6.75pc
Vaux 11¾pcDb 2010 5.875pc
West Kent Water 3.5pc (fmly 5pc) 1.75pc, 4.025pc (fmly 5¾pc) Pf 1983-66 2.0125pc, 2.8pc (fmly 4pc) 1.4pc, 3.15pc (fmly 4½pc) Pf 7.675pc

THURSDAY MARCH 27

COMPANY MEETINGS—
Bedford (William), Merchants Hall, 46 Essex Road, Islington, N, 12.00
Ballough, The Courtyard, 26 Euston Centre, Euston Road, NW, 12.30
Beradin, Tute Hill House, London Road, Sevenoaks, Kent, 11.30
Birmid Qualcast, Midland Hotel, New Street, Birmingham, 12.00
Bournemouth & District Water, 128 Queen Victoria Street, EC, 12.00
Crescent Japan Inv, 4 Melville Crescent, Edinburgh, 12.30
Drayton Japan Trust, 11 Devonshire Square, EC, 12.00
Edinburgh American Assets Trust, One Charlotte Square, Edinburgh, 12.30
Glass Glover, Connaught Rooms, Great Queen Street, WC, 12.00
Greenfriar Inv, 26 Finsbury Square, EC, 2.30
Heywood Williams, Ladbroke Mercury Hotel, Ainley Top, Huddersfield, West Yorkshire, 11.45
Lancashire & London Inv Trust, Great Eastern Hotel, Liverpool Street, EC, 12.00
Metal Bulletin, London Press Centre, 76 Shoe Lane, EC, 12.00
Microgen, Walling Street, Radlett, Hertfordshire, 4.00
New Tokyo Inv Trust, 4 Melville Crescent, Edinburgh, 12.15
Scottish Agricultural Inds, North British Hotel, Princes Street, Edinburgh, 12.00
Scottish American Investment, 6 Charlotte Square, Edinburgh, 12.00
Securicor, Richmond Hill Hotel, Richmond Hill, Richmond, Surrey, 12.45
Security Services, Richmond Hill Hotel, Richmond Hill, Richmond, Surrey, 12.30
Tribune Inv Trust, 6 Bishopsgate, EC, 2.30
Ward, 62 New Cavendish Street, W, 2.30
Yorkshire Chemicals, Kirkstall Road, Leeds, 12.00

BOARD MEETINGS—
Finals:
Amari
Automated Security
Freedon & Cloud Hill Lime Works
Croda Intnl
Derwent Valley
Downiebrae
House of Lerose
Jacobs (John I.)
Manders
Martin Currie Pacific Trust
[illegible]
Interims:
[illegible]
Trans-Oceanic Trust

DIVIDEND & INTEREST PAYMENTS—
AAH 2.94p
Acrogs Satellite Intnl 1.2p
Alliance Property 7¼pc1stMtgDb 1966-91 3⅝pc
Argyle Securities 10½pcDb 1992-97 5¼pc, 12pcDb 1993-98 6pc
Argyll Stores 6pcLn 1982-87 3pc
Armitage Shanks 10pcLn 1989-94 5pc
Ashdown Inv Tst 2.1p
Avon Rubber 6¼pc1stMtgDb 1963-88 3⅛pc
BPB Industries 7¼pcDb 1986-91 3⅝pc, 10¼pcDb 1994-99 5⅛pc, 10¼pcDb 1997-2002 5⅛pc
Banco De Santiago Fltg Rate Nts March 1966 $432.64
Bank of Montreal Fltg Rate Dep Nts 1994 £148.72
Banker Trust Overseas Finance Gtd Fltg Rate Subord Nts 1994 $20.83
Black & Decker 16cts
Blue Circle Industries 3½pcPf 1.925p, 5¼pc2ndDb 1984-2009 2⅝pc
Bowthorpe 6pcDb 1968-93 4pc
Braid 9pcDb 1966-91 4½pc
Bristol Evening Post 10¼pcMtgDb 1991-1996 5⅛pc
Buckley's Brewery 3½pcPf 1.925p
Bullough 5.5p
Carclo Engineering 5.95pcPf 2.975pc
Cater Allen Gilt Edged Fund Ptg Red Pf 35p
Chemical New York Gtd Fltg Rate Subord Nts 1994 $206.25
Chemical New York Corp Fltg Rate Senior Nts 1999 $60.47
Chester Waterworks 4.2pc (fmly 6pc Max) 2.1pc, 3.15pc (fmly 4½pc) Pf 1.575pc, 3.65pc (fmly 5½pc) Pf 1983-86 1.925pc
Cons Gold Fields 8¼pcLn 1986-93 4⅛pc, 7¼pcLn 1999-2004 3⅞pc, 6½pcLn 1987-1992 3¼pc
Continental Illin Overs Fin Gtd Fltg Rate Subord Nts 1994 $196.58
Crystalate 9½pcLn 1999-2000 4¾pc, 6¼pcLn 2003 4¼pc
EMAP 7¼pcDb 1966-91 3⅝pc
English China Clays 6¼pcDb 1965-90 3⅛pc, 7¼pcDb 1967-92 3⅝pc
Fitch Lovell 3.5p
Girozentrale Und Bank Der Ost Spark Fltg Rate Nts 1991 $20.76
Great Universal Stores 7p, A (Non-Vtg) 7p
Grindlays Eurofinance Fltg Rate Nts 1992 $417.19
Higgs & Hill 6¼pcDb 1989-94 4⅛pc
Higgs & Hill 8pcLn 1989-94 4pc
Howard Grp 3.15p
Imperial Cold Storage & Supply Automatically Cnv Pf 16.15cts
Industrial Newspapers 6pcPf 2.1p
Korea First Bank Fltg Rate Nts 1989 $206.59
Lancashire & London Inv Trust 5.125p
Land Securities 10pc1stMtgDb 2025 2.2358pc, 6¾pcLn 1992-97 3⅜pc, 8¼pcLn 1992-97 4⅛pc, 6¼pc1stMtgDb 1993-98 4⅛pc, 9pc1stMtgDb 1996-2001 4½pc
London Cremation 10pcPf 2.5p
London Intnl 10½pcLn 1990-95 5¼pc
London Shop Property Trust 8¼pcLn 1987-97 4⅛pc
London Trust 4pcPfd 2pc
Magnet & Southerns 2p, 5.25pcPf 2.625pc
Meat Trade Suppliers 1.75p
Media Technology Intnl 1p
Mersey Docks & Harbour 3¾pcDb 1979-1989 1⅞pc, 3½pcDb 1976-89 1¾pc, 6¾pcDb 1996-99 3⅜pc
Morland 5pcPf 1.75p, 7½pcDb 1967-92 3¾pc
Northern Telecom 10cts
OK Bazaars (1929) 6pc1stCumPf 6cts, 5pc3rdCumPf 5cts
Oceonica Group 10¾pcPf 1993 5.375pc
Oldacre 1.65p
Portsmouth Water 3pcPerpDb 1½pc, 3½pc PerpDb 1¾pc, 7pcDb 1984-86 3½pc, 13pcDb 1994 6½pc, 14pcDb 1992 7pc
Provincial Insurance 10pcPf 3.5p, 25pcPf 1.75p
Rights and Issues Inv Trust Inc 3p, Cap 0.2p
Scandinavian Finance Stg Fltg Rate Nts 1900 £3.08
Scottish Life Assurance 7½pcLn 1997-2002 3¾pc
THORN EMI 3.5pcPf 1.75pc
Television South Non-Vtg 6p
Temple Bar Inv Trust 3.3p
Tendring Hundred Waterworks 6.6pc (fmly 8pc) 28p, 3.5pc (fmly 5pc) 17.5p, 5.6pc (fmly 8pc) 26p
Tollgate 10cts
Trade Promotion Services 1.15p
Trent 0.46p
Updown Inv 4.6p
Vinten 1.05p
Warner Estate 12p
Wells Fargo Fltg Rate Subord Nts 1992 $80.75
Wintrust 1.8p
Wrexham & East Denb Water 4.9pc (fmly 7pc) 2.45pc, 3.5pc (fmly 5pc) Pf 1.75pc, 4.2pc (fmly 6pc) Pf 1985-67 2.1pc
York Waterworks 4.9pc (fmly 7pc Max) 2.45pc, 3.5pc (fmly 5pc) (Max Div) 1.75pc, Cons Pf 14.2pc Max fmly 6pc) 2.1pc
Yorkshire Intnl Finance Gtd Fltg Rate Nts 1994 £146.72

WORLD STOCK MARKETS

AUSTRIA

1985/6 High	Low	Mar. 91	Price Sch %
2,460	2,150	Credit'stalt pp*	9,350
3,860	3,075	Goesser.*	3,450
15,100	13,750	Interunfall*	13,750
91,000	18,600	Jungbunzlauer*	18,900
2,470	1,950	Laenderbank*	2,150
805	336	Perlmooser	670
226	144	Steyer-Daimler	164
10,150	8,850	Veitscher Mag*	9,400

BELGIUM/LUXEMBOURG

1985/6 High	Low	Mar. 21	Price Frs.
9,845	1,760	B.B.L.	2,846
12,450	0,750	Banq. Gen. Lux	13,450
15,600	6,440	Banq. Int. A. Lux	13,600
2,990	4,380	Bekaert	9,990
4,650	2,260	Ciment CBR.	4,530
287	152	Cockerill	169
11,000	5,630	Delhaize	10,500
4,756	2,770	EBES	4,735
17,350	8,000	Electrobel.	17,350
2,380	1,855	Fabrique Nat.	2,055
7,300	2,856	GB Inno BM.	7,250
3,160	1,635	GBL (Brux).	6,150
6,750	3,030	Generale Bank	5,750
6,840	3,576	Gevaert	6,770
7,600	5,170	Hoboken	7,600
3,800	2,025	Intercom	3,650
92,600	7,620	Kredietbank	14,025
11,900	9,450	Pan Hldgs.	10,560
7,650	5,560	Petrofina	7,140
24,100	10,050	Royale Belge	23,700
2,900	1,615	Soc. Gen. Belge	2,200
2,700	6,770	Sofina	8,700
8,240	3,825	Solvay	8,080
—	—	Stanwick Intl	460
6,040	3,665	Tractionel	6,040
7,100	4,500	UCB	7,100
6,100	6,005	Wagon Lits	5,530

DENMARK

1985/6 High	Low	Mar. 91	Price Knr. %
422	257	Andelsbanken	492
725	516	Baltica Skand.	520
353	259	CopHandelsbank	322
676	385	D. Sukkerfab	415
400	260	Danske Bank	364
1,840	1,066	De Danske Luft.	1,840
287	129	East Asiatic	287
1,080	770	Forenede Brygg.	970
268	88	Forenede Damp.	265
685	325	GNT Hldg	610
770	340	I.S.S.S.	770
855	455	Jyske Bank	785
1,895	1,166	Novo Inds.	1,300
344	281	Privatbanken	295
625	280	Provinsbanken	449
345	217	Smidth (F.L.) B	614
1,150	880	Sophus Berend	275
530	266	Superfos	312

SWEDEN

1985/6 High	Low	March 21	Price Kroner
207	106	AGA	195
290	174	Alfa-Laval B	285
425	285	ASEA (Free)	425
560	355	Astra (Free)	522
214	97	Atlas Copco	214
295	213	Cardo (Free)	286
206	113	Cellulosa	206
992	192.5	Electrolux B.	279
310	121	Ericsson B.	300
635	223	Esselte	600
242	149	Mo Och Domsjo	216
225	162	Pharmacia	224
600	327	Saab Scania Free	600
835	316	Sandvik	805
466	240	Skandia	455
100	49	Skan Enskilda	96
[illegible]	[illegible]	[illegible]	[illegible]

NORWAY

NETHERLANDS

GERMANY

1986/6 High	Low	Mar. 21	Price Dm
342	100.5	AEC	332
2,565	861	Allianz Vers	2,316
325.5	176.8	BASF	315
350	193	Bayer	335
654	309.5	Bayern Hypo	641
605	318.2	Bayer Verein	563
580	251	BHF Bank	526
652.5	351	BMW	515
518	197.5	Brown Boveri	288
369.9	160.2	Commerzbank	314
232.2	114.5	Cont. Gummi	225
1,445	393.5	Daimler Benz	1,314
514	339	Degussa	443
246.5	150	D'sche Babcock	226
935	393.5	Deutsche Bank	816
482	178.9	Dresdner Bank	431xr
285	147	GHH	244
433	374	Henkel	520
960	460	Hochtief	940
329	182.5	Hoechst	315
199	97.5	Hoesch Werke	190
605	360	Holzmann P.	605
946	163	Horten	936
527	27	Husscl	494
384	206	Karstadt	405
492	206.6	Kaufhof	482
323	247	KHD	307
126.5	69	Kloeckner	97.5
995	391	Linde	935
418.6	180	Lufthansa	274
960	143.5	MAN	204
311.8	142.7	Mannesmann	270.6
1313	509	Mercedes Hld.	1,133
430	917.5	Metallgesell	340
3,260	1,062	Muench Rueck.	3,680
913	507.5	Nixdorf	677
1,525	1,025	Porsche	1,165
356	931	Preussag	240
251.3	150	Rhein West Elect	233
395	238	Rosenthal	385
670	432.9	Schering	673
826.5	478.4	Siemens	623
193	86.4	Thyssen	190.9
368	174	Varta	355
309	166.7	Veba	302
202	122	V.E.W.	195.5
459	300	Verein West	455
585.5	122	Volkswagen	580.5

SPAIN

1985/6 High	Low	Mar. 21	Price Pta %
925	305	Bco Bilbao	925
605	305	Bco Central	606
300	192	Bco Exterior	300
370	141	Bco Hispano	370
985	330	Bco Popular	985
670	324	Bco Santander	670
1,100	399	Bco Vizcaya	11,00
300	127	Dragados	291.5
127.2	70	Hidrola	124
150	81.5	Iberduero	148
356	196.5	Petroleos	328
182	94.5	Telefonica	179.2

SWITZERLAND

1986/6 High	Low	March 21	Price Frs.
6,125	9,330	Adia Intl	5,026
920	630	Alusuisse	740
4,850	3,555	Bank Leu	4,100
1,950	1,380	Brown Boveri	1,700
4,550	2,470	Ciba Geigy	3,800
6,625	9,030	do. (Part Certs)	2,900
3,210	9,325	Credit Suisse	3,880
3,700	2,610	Electrowatt	3,600
1,370	605	Fischer (Geo)	1,330
141,000	93,600	Hoff-Roche PtCts	112,58
14,000	8,275	Hoff-Roche 1/10	13,150
7,950	5,545	Jacobs Suchard	7,625
3,850	1,890	Jelmoli	3,500
2,656	1,570	Landis & Gyr	1,230
2,500	6,600	Nestle	6,775
[illegible]	[illegible]	[illegible]	[illegible]

FRANCE

AUSTRALIA

1985/6 High	Low	March 21	Price Aust. $
—	—	Adelaide Steams	15.9
5.93	4.28	ANZ Group	6.72
2.55	1.75	Ampol Pet.	2.33
1.48	0.75	Ashton	1.49
3.56	1.88	Aust. Cons. Inds.	3.5
3.4	2.2	Aust. Guarantee	3.15
3.75	9.08	Aust. Nat. Inds	3.78
3.5	2.4	APM	3.47
12.0	4.7	Bell Group	7.12
5.5	1.77	Bell Res.	5.2
3.15	0.97	Bond Corp Hldgs	3.16
4.1	3.06	Boral	4.02
2.75	1.51	Bougainville	0.75
5.96	3.43	Brambles Inds.	6.96
2.65	1.58	Bridge Oil	1.69
7.67	3.62	B. H. Prop.	5.4
—	—	Burns Philip	5.3
6.7	4.25	CRA	6.79
9.35	9.64	CSR	3.36
—	—	Chase Corp.	6.5
1.27	0.22	Claremont Pet	0.99
4.95	3.60	Coles Meyer	4.9
2.89	1.6	Comalco "A"	2.58
0.45	0.16	Consolidated Pet	0.18
2.5	1.26	Costain Aust	2.4
3.64	9.28	Elders IXL	3.59
1.85	1.30	Energy Res	1.65
5.25	2.05	Gen. Prop. Trust	9.34
3.84	2.33	Hardie (James)	3.58
2.6	1.6	Hartogen Energy	1.9
8.22	3.4	Herald W'y Times	5.1
2.86	1.84	ICI Aust	2.56
9.69	9.19	Jimberlana F.P.	0.21
0.39	0.1	Kia Ora Gold	0.17
9.6	4.20	Kidston Gold	6.0
9.66	4.96	Lend Lease	8.66
3.36	2.13	MIM	9.75xr
3.9	2.82	Mayne Nickless	3.9
6.9	3.40	Nat. Aust. Bank	6.04xd
16.5	6.26	News	16.5
3.1	1.29	Nicholas Kiwi	3.1
0.95	0.65	Norande P.(Pd)	0.94
9.82	1.72	North Bkn Hill	2.4
1.69	0.65	Oakbridge	0.96
3.4	1.86	Pacific Dunlop	3.32
2.16	0.90	Pancontinental	2.16
2.71	1.51	Pioneer Conc	2.66
4.2	2.2	Poseidon	3.16
1.80	1.07	Queensland Coal	1.39
[illegible]	[illegible]	[illegible]	[illegible]

SOUTH AFRICA

HONG KONG

SINGAPORE

JAPAN

1985/6 High	Low	March 21	Price Yen
1,555	1,040	Ajinomoto	1,380
895	415	All Nippon Air	885
2,097	1,190	Alps Electric	1,700
1,100	621	Asahi Chem.	919
1,030	769	Asahi Glass	1,030
975	921	Bank Tokyo	840
929	500	Bridgestone	929
745	540	Brother Inds	860
1,480	880	Canon	975
2,060	1,556	Casio Comp	1,460
1,270	840	Chugai Pharm.	1,230
1,140	565	Daiei	1,080
1,990	1,320	Dai-Ichi Kan. S	1,640
499	197	Dai Nippon Ink	428
1,970	952	Dai Nippon Ptg	1,970
1,126	632	Daiwa House	1,126
1,160	631	Daiwa Sec	1,160
2,002	1,183	Eisai	1,330
9,300	6,050	Fanuc	8,330
1,940	1,290	Fuji Bank	1,930
2,180	1,350	Fuji Film	1,930
1,320	808	Fujisawa	2,150
1,260	866	Fujitsu	957
455	312	Furukawa Elect.	383
2,460	1,600	Green Cross	2,130
1,120	577	Heiwa Real Est	1,110
994	630	Hitachi	716
1,610	1,020	Hitachi Credit	1,490
1,560	1,016	Honda	1,050
1,640	844	Indl. Bk. Japan	1,470
219	140	Ishikawajima Hr.	176
489	320	Isuzu Motors	355
393	323	Itoh (C)	610
3,550	2,270	Ito-Yokado	3,540
13,700	4,860	JAL	11,750
1,260	660	Jusco	1,200
740	969	Kajima	740
1,400	724	Kao Soap	1,400
213	134	Kawasaki Steel	145
1,090	648	Kirin	1,090
240	144	Kobe Steel	193
610	433	Komatsu	462
748	601	Konishiroku	679
419	316	Kubota	371
953	519	Kumagai	920
7,100	3,050	Kyocera	4,050
419	300	Marubeni	387
2,020	925	Marui	2,020
493	672	Mazda Motors	378
645	459	Meiji Seika	633
[illegible]	[illegible]	[illegible]	[illegible]

ITALY

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. [illegible]

NEW YORK INDICES

CANADA

TORONTO

Closing prices March 21

MONTREAL

Closing prices March 21

OVER-THE-COUNTER

Nasdaq national market, Closing prices, March 21

Continued from Page 39

Closing prices, March 21

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
22	10⅝	AAR e			22	596	u24	22½	23½	+ 1½
36	17¼	AFG			17	627	28	35½	35¾	+ ⅛
25⅜	10¼	AGS			19	249	23½	23	23½	+ ⅝
14⅞	9⅞	AMCA				19	14⅛	13⅞	14⅛	+ ⅜
53½	37½	AMR			9	3363	u53¾	51½	51¾	− 1½
25¾	16⅝	AMR pf2.18		8.6		3	25⅜	25⅜	25⅜	
25¾	23¼	ANR pf 2.67		10.		1200	25½	25½	25½	
21¼	19	ANR pf 2.12		10.		3	21¼	21¼	21¼	+ ½
12½	7⅜	APL			7	7	11⅞	11¾	11¾	+ ⅛
16¾	10⅜	ARX			14	115	15⅝	15⅛	15⅛	− ⅜
56⅜	32¾	ASA	2a	5.1		666	39⅝	38¾	38⅞	+ ¼
16⅝	10½	AVX		1.9		1047	16¾	16⅜	16½	− ¼
29⅞	21⅛	AZP	2.72	9.3	8	2156	29⅜	29	29¼	+ ⅛
80¾	48	AbtLab 1.68		2.1	28	3354	80¾	79½	79½	− ¾
31⅛	19⅝	AccoWd .50		1.7	21	49	30½	30¼	30¼	− ¼
24¾	10	AcmeC .48		3.1	18	749	13	12¾	12¾	+ ¼
9¾	7	AcmeE .32b		3.7	18	96	8⅝	8⅜	8⅝	+ ⅛
19¾	16⅛	AdaEx 1.90e		10.		111	19¼	18⅞	19	+ ⅜
26⅞	14	AdmMl .48		1.4	12	28	u27¾	26¾	27¾	+ ⅞
20⅜	8⅞	AdvSys1.36t		7.1	18	117	19⅜	18¾	19⅛	+ ⅜
34	22⅛	AMD				2386	30⅝	29⅝	29¾	− ⅜
12⅝	8¼	Adobe n				153	9¾	9⅝	9⅝	
18⅝	14⅝	Adob pf 1.84		11.		48	18½	16⅛	16⅛	− ⅜
18⅝	15¼	Adob pf 2.40		13.		42	18⅝	18⅝	18⅝	+ ⅛
17¾	8⅛	Advest .12a		7	15	368	17	16½	16⅝	− ¼
66	36⅛	AetnLf 2.64		4.1	17	2368	65⅛	63¾	63¾	− 1⅜
57½	52⅛	AetL pf4.97e		9.4		559	52⅞	52⅝	52¾	
101	95¾	AetL pfC.92e		.9		2	100½	100½	100½	− ¼
59¼	27¾	Ahmns 1.35		2.3	9	1993	60¾	58¾	59½	− 1

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Continued on Page 39

NYSE COMPOSITE CLOSING PRICES

Continued from Page 38

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
22⅝	12⅞	Pier 1	.02r	.2	18	90	22⅛	22	22⅛	−⅛
11½	9	PlgRg n				235	10¾	10⅝	10¾	−¼
71⅞	44⅞	Pilsbry 1.72		2.5	16	2187	70⅛	68¾	69	+½
30⅝	16⅝	Pioneer 1.24		5.6	17	2126	21¼	20⅞	21	−⅛
57⅞	36⅝	PitnyB 1.32		2.2	13	493	56⅞	55¾	56⅛	+⅝
18	7	Plantrn .160		1.0	16	270	16½	16⅛	16⅜	
11⅝	7¼	Playboy				46	8¼	8⅛	8¼	
32⅛	19¾	Plessey .72e		2.0	23	28	u32¾	32½	32½	+¼
19	7⅜	PogoPd .60		7.3		834	8⅜	8⅛	8⅛	+⅛
72⅞	25⅞	Polaroid	1	1.6	54	3913	65½	62⅞	64½	−⅛
18¼	10½	Pondrs	.40	2.8	144	282	14¾	14¼	14⅜	−⅛
24¾	16¾	PopTal .80b		3.4	31	54	23½	23¼	23½	
22¾	14¾	Portec	.60	6.0	32	43	20⅛	20⅛	20⅛	
28½	17¼	PortGE 1.90		7.2	8	3055	27½	26¾	26¾	−⅛
28	20¼	PorG pf2.60		9.5		25	27½	27⅜	27½	+⅛
35⅞	31¾	PorG pf4.40		13.		73	34⅜	33⅝	34	+⅛
35½	31	PorG pf4.32		13.		11	34	33¾	33⅞	+⅛
43⅝	31⅜	Potlch 1.56		3.7	19	296	42½	42	42¼	+¼
40⅝	26¼	PotmEl 2.36		6.2	11	940	38¼	37⅞	38⅛	+⅜
53	41	PotEl pf4.50		8.7		z18	51¾	51¾	51¾	+2¼
3	33	Premrl .040		11 2		242	21333	2331⅛	3331⅛	
27⅝	18¼	Primk s1.10		4.1	10	232	27⅛	26¾	27	+¼
28	14½	PrimeC			20	2073	24⅝	23⅞	24⅛	+⅛
50½	27⅞	PrimM	.08	.2	32	452	49⅜	48	49¼	−1⅛
36½	16	PrmM wi				2	36⅛	36	36⅛	−⅛
76⅞	50⅝	PrctG 2.60		3.6	18	1962	76¼	74¾	74⅝	−1⅞
17¼	8¾	PrdRs s .28		1.8	23	147	15⅞	15½	15⅝	−⅛
43½	36	Proler 1.40		3.5	18	1	39¾	39¾	39¾	+⅛
2⅜	1⅝	PruRC s				152	1⅞	1¾	1¾	−⅛
8⅛	7⅜	PruRl a.28e		3.3		75	8⅛	8	8	−⅛
24¾	18⅞	PSvCol	2	9.4	12	1098	21⅜	21⅛	21⅜	+⅛
83¼	67½	PSCol pf7.15		8.6		z60	80	83	83	+2¼
24⅝	18⅝	PSCol pf2.10		8.7		16	24¼	24¼	24¼	+¼
12	8⅞	PSInd			11	1450	10⅜	10⅜	10¾	−⅛
27	20¾	PSIn pfA				z220	37	26½	27	+¾

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
31¼	22⅝	SealPw	1.	3.8	11	347	28	27⅝	27⅝	−½
46	31⅜	Sears	1.76	3.8	13	8483	47⅜	46	46	−1⅛
8	39	SPcPa 1434		53		83134363	373	31	38⅝	+½
36	20¼	SvcCp s .32		1.0	20	1672	31⅜	31	31⅛	
16⅜	11¾	Shaklee .72		3.8	15	627	19	18¾	19	+¼
38¾	18⅜	Shawin .60		1.8	13	121	38⅛	37⅛	37⅞	−⅛
48⅝	33⅝	ShellT 2.52e		3.3	8	3125	u48	46⅛	47¼	+1⅛
85⅝	21	ShelGlo .80		2.0	11	365	u45½	45⅜	45½	+⅛
49	23⅞	ShelG pf1.40e		2.9		22	49	49	49	+¼

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
159	97	ShelG pf								
58¾	31¼	Shrwin								
10¼	8	Shoetwn								
19¾	12	Showbt								
23⅞	15⅝	SierPac								
50¾	33⅛	Singer								
27½	23	Singr pf								
21	12¾	Skyline								
32	22½	Slattery								
12⅞	1¼	vjSmith								
87⅞	60	SmkB								
51¾	36¼	Smckr s								
60½	33⅜	SnapOn								
15¾	9⅜	Snyder								
43⅜	28¼	Sonat								
27⅜	14¼	SonyCp								
35⅞	22¾	SooLin								
44¼	38⅛	SourcC								
26¼	20⅞	SrcCp pf								
32½	25¾	SoJerIn								
47¾	31⅛	Soudwn								
40⅞	26	SoetBk								
72½	72½	SoetBk pf								
9	3¼	SoetPS								
30⅛	22¾	SCalEd								
23⅛	16¾	SouthCB								
32¾	22¾	SoindGs								
48¼	37	SNETl								
49	34½	SoNE pf								
29⅝	23⅛	SoRy pf								
30⅛	58⅛	SoUnCo								
58	29¾	Southnat								
40¾	49½	Soutld pf								
13¾	5¾	Soumrk								
51¾	46	Somk pf								
31	20	SwAirl								
15⅞	9⅛	SwtFor								

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
27	23	UGI pf	2.75	11.		z50	25¾	25¾	25¾	−¼
12⅞	9	UNCRes			16	3471	u13	12½	12⅝	+¼
16⅞	10¼	URS	.40	2.4		68	16⅝	16½	16½	
46¾	20⅝	USFG	2.32	5.3		x2018	46	43½	44⅛	−1
70¼	30⅝	USG s	1.92	2.9	16	1543	67¼	65¾	66	−⅜
110	59¼	USG pf	1.80	1.5		1	u119	118	119	+8
20⅞	12⅞	UniFrst .20		1.6	17	52	20	16⅜	16¾	−¼
165¼	91½	UniNV 5.66e		3.6	14	128	164¾	163½	163½	+⅛
50	33¼	UCamp 1.64		3.4	28	1403	u50¼	48¾	48⅞	−¼

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
17½	10⅞	WyleLb .32		2.8	70	535	16⅛	15¾	16	
32¼	15	Wynns	.80	3.4		18	17¾	17⅜	17¾	
		X Y Z								
72¼	42⅞	Xerox	3	4.4	15	2620	69	65⅞	67¾	−⅞
57⅞	49	Xerox pf5.45		9.6		4	56⅝	56⅝	56⅝	
37	26	ZaleCp 1.32		3.7	14	260	36⅛	36	36	+⅛
16½	3½	Zapata .03j			27	3429	3⅞	2⅝	3¼	−⅜
76⅞	40¼	Zayre s	.40	.7	22	773	u71¼	70	71	+¼
26¼	16¼	ZenithE				746	24⅝	23½	24¼	
36	11	ZenLbs .10l		.3	23	1397	34½	33⅝	34¼	+1
22⅝	13¾	Zero s				86	21¼	20¾	21	−¼
45⅝	28⅝	Zurnln 1.32		3.1	15	207	42⅛	41¼	42⅛	+¼

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

AMEX COMPOSITE CLOSING PRICES

Closing prices March 21

OVER-THE-COUNTER

Nasdaq national market, Closing prices March 21

Continued on Page 37

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Attention turns to sterling

BY COLIN MILLHAM

Sterling became the centre of attention on the foreign exchanges last week, as the Bank of Japan showed signs of anxiety about the fall of the dollar against the yen.

Although the US authorities seemed relaxed about the dollar's decline of 27 per cent against the yen, since the Group of Five meeting in New York last September, and are probably prepared to see a further orderly downward adjustment, the Japanese Government and Bank of Japan are far less happy.

Fear that the Bank of Japan was ready to intervene on a large scale if the dollar fell to record lows, below Y175, put a platform under the US currency, but underlying market sentiment suggested this would prove a temporary structure.

Downward pressure on the dollar in Europe was far less marked, and without the co-operation of the German Bundesbank and the US Federal Reserve, dealers were sceptical of Japan's ability to prevent a further dollar fall.

To some extent the Bank of Japan was helped by falling market volume towards the end of last week, ahead of Japan's financial year-end and a local holiday in Tokyo on Friday.

But disappointing US economic statistics, including a downward revision to 0.7 per cent from 1.2 per cent to fourth quarter gross national product growth, plus the very large US trade deficit, particularly with Japan, are likely to renew the downward slide of the dollar.

The market also believes it detects disagreement within the Federal Reserve Board over monetary policy. Mr Paul Volcker, chairman of the Fed, is still thought to exercise strong influence over the Federal Open Market Committee, but his control over the Board has been reduced by White House appointees. If Mr Volcker, who has warned against allowing a continual weakening of the dollar, should find his position at the Fed untenable; this would be no encouragement for further downward pressure on the US currency.

But at the moment the market lacks direction, amid growing uncertainty about US interest rates. Oil prices have stabilized, and the Organisation of Petroleum Exporting Countries has attempted to find compromise among its members to protect the market. This may limit the downward trend in US inflation and scope for lower interest rates, while the latest US money supply figure has taken M1 above its target range.

Against a nervous and uncertain background for the dollar, attention has switched to sterling. London interest rates remain attractive, in spite of last week's cut of 1 per cent in clearing bank base rates. With annual UK inflation falling to 5.1 per cent from 5.5 per cent in February, real interest rates are very high. The boom in equities and gilts has also increased demand for the pound, following a favourable reception for the Chancellor's Budget statement.

Oil remains a major uncertainty, but last week's Opec meeting restored some confidence in the cartel, and its ability to prevent oil prices moving down towards £10 a barrel or lower.

The pound showed signs of consolidating above $1.50, and gained ground against other major currencies, in a general mood of euphoria. But as experience has shown, sterling is a very volatile currency, and the Bank of England caution about interest rates on Friday may yet prove justified.

£ IN NEW YORK

Close	Mar. 21	Prev. close
£ Spot	$1.5165-1.5175	$1.4970-1.4980
1 month	0.53-0.52pm	0.52-0.51pm
3 months	1.53-1.51pm	1.37-1.55pm
12 months	5.68-5.55pm	4.55-4.45pm

Forward premiums and discounts apply to the US dollar

CURRENCY MOVEMENTS

Mar. 21	Bank of England Index	Morgan Guaranty Change %
Sterling	75.2	−13.4
U.S. dollar	115.7	+7.5
Canadian dollar	78.0	−12.8
Austrian schilling	123.7	+7.0
Belgian franc	94.3	−8.4
Danish Kroner	85.2	−1.7
Deutsche mark	134.2	+15.8
Swiss franc	156.2	+14.9
Guilder	123.7	+8.5
French franc	71.2	−10.5
Lire	46.4	−18.0
Yen	193.1	+43.7

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

OTHER CURRENCIES

Mar. 21	£	$
Arg'tina	1.2029-1.2052	0.8000-0.8010
Aus'alia	2.1050-2.1080	1.4005-1.4016
Brazil	20.7031-20.8223	13.77-13.64
Finland	7.6215-7.6415	5.0820-5.0840
Greece	207.37-211.37	132.23-141.05
H'kong	11.7590-11.7590	7.8105-7.8123
Iran	115.30*	80.00*
Kuwait	0.4510-0.4520	0.29980-0.29690
Lux'burg	68.95-69.05	45.60-45.70
Malaysia	3.8175-3.8275	2.5400-2.5430
N'Z'land	2.7960-2.8060	1.8605-1.8655
Saudi Ar.	5.4820-5.4930	3.6485-3.6495
Sin'pore	3.2480-3.2580	2.1510-2.1530
S.Af. (Cm)	3.1200-3.1595	2.0745-2.0875
S.Af. (Fn)	4.5233-4.6640	3.0075-3.1010
U.A.E.	5.5155-5.5255	3.6720-3.6730

* Selling rate.

CURRENCY RATES

March 21	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.771831	0.641820
US $	7	1.16682	0.962880
Canadian $	10.69	*	1.34967
Austria Sch	4	18.2744	15.9132
Belgian Fr	8¾	53.5180	44.3551
Danish Kr	7	9.61437	7.99046
D'mark	3½	2.60438	2.16552
Guilder	4½	2.93891	2.44427
French Fr	9½	8.01102	6.65313
Lira	15½	1772.84	1474.41
Yen	4	N/A	169.467
Norway Kr.	8	N/A	6.85212
Span'h Pta.	—	162.305	136.108
Swedish Kr	8½	8.30654	6.90530
Swiss Fr.	4	N/A	1.81676
Greek Drch	20½	N/A	134.601
Irish Punt	—	0.860733	0.716422

* CS/SDR rate for March 20: 1.61573.

POUND SPOT—FORWARD AGAINST POUND

March 21	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.4960-1.5125	1.5110-1.5120	0.53-0.50c pm	4.09	1.34-1.30pm	3.49
Canada	2.0972-2.1071	2.1027-2.1071	0.10c pm-0.03dis	−0.20	0.41-0.20pm	0.58
Nethlnd.	3.80-3.82¾	3.81½-3.82½	2-1⅝c pm	6.08	5⅞-5⅝pm	5.43
Belgium	68.95-69.38	68.95-69.05	8c pm-2dis	−0.52	23-10pm	0.96
Denmark	12.43½-12.52	12.51-12.52	4⅝-3¾ore pm	3.84	10⅞-9⅛pm	3.12
Ireland	1.1130-1.1185	1.1165-1.1175	0.40-0.55p dis	−5.10	0.86-0.95dis	−2.86
W Ger	3.36½-3.39¼	3.38¼-3.39¼	2-1⅞pf pm	8.86	5⅞-5¾pm	5.42
Portugal	220.28-222.18	220.34-221.99	180-490c dis	−18.18	560-1390dis	−17.64
Spain	211.80-212.36	212.07-212.36	15-55c dis	−1.98	80-195dis	−2.59
Italy	2,291½-2,305½	2,304½-2,305½	7-9lire dis	−4.18	22-26dis	−4.18
Norway	10.63¾-10.71¾	10.70¾-10.71¾	⅞-1¾ore dis	−1.47	5½-6¾dis	−2.22
France	10.35¾-10.43	10.42-10.43	1-1⅞c dis	−1.65	1⅛-3dis	−0.82
Sweden	10.75½-10.83	10.82-10.83	⅞-¼ore pm	0.62	⅛pm-¼dis	−0.07
Japan	263¼-266	265-266	1.26-1.15y pm	5.42	3.72-3.57pm	5.49
Austria	23.63-23.75	23.72-23.75	13⅝-11⅞gro pm	5.46	33¼-29½pm	5.33
Switz	2.82-2.83½	2.82½-2.83½	1¾-1⅝c pm	7.16	5-4⅞pm	6.98

Belgian rate is for convertible francs. Financial franc 70.70-70.80. Six-month forward dollar 2.17-2.12c pm. 12-month 3.73-3.63c pm.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

March 21	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4950-1.5125	1.5110-1.5120	0.53-0.50c pm	4.09	1.34-1.30pm	3.49
Ireland†	1.3417-1.3470	1.3462-1.3470	1.05-0.85c pm	8.49	2.75-2.05pm	7.15
Canada	1.3980-1.4020	1.4000-1.4010	0.43-0.48c dis	−3.90	0.98-1.08dis	−2.94
Nethlnd	2.5280-2.5500	2.5280-2.5290	0.45-0.42c pm	2.06	1.27-1.24pm	1.98
Belgium	45.60-46.11	45.60-45.70	11-16c dis	−3.52	26-33dis	−2.56
Denmark	8.27¼-8.32	8.27¾-8.28¼	¼-¾ore dis	−0.63	⅞-1¼dis	−0.39
W Ger	2.2400-2.2518	2.2410-2.2420	0.57-0.52pf pm	2.91	1.70-1.66pm	2.98
Portugal	147¼-148	147½-148	200-400c dis	−24.40	500-1200dis	−23.04
Spain	140.95-141.45	140.95-141.10	60-100c dis	−6.36	170-240dis	−5.80
Italy	1,524½-1,533¼	1,524½-1,525½	10-12lire dis	−8.62	28-30dis	−7.57
Norway	7.08½-7.10½	7.08½-7.09	3⅛-3½ore dis	−5.60	10-10½dis	−5.74
France	6.89½-6.93¾	6.89½-6.90	2¼-3¼c dis	−5.20	7-8dis	−4.33
Sweden	7.16-7.18	7.19-7.18½	2⅛-2⅞ore dis	−3.75	6-6½dis	−3.45
Japan	175.70-178.45	175.70-175.80	0.21-0.18y pm	1.33	0.88-0.85pm	1.98
Austria	15.75-15.80	15.78-15.79	4-2gro pm	2.28	8-6pm	1.77
Switz	1.8710-1.8880	1.8710-1.8720	0.54-0.49c pm	3.28	1.67-1.62pm	3.49

† UK and Ireland are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 46.75-46.85.

FORWARD RATES AGAINST STERLING

	Spot	1-month	3-month	6-month	12-month
Dollar	1.5118	1.5064	1.4983	1.4901	1.4747
D-Mark	3.3876	3.2754	3.3329	3.2810	3.2121
French Franc	10.4250	10.4346	10.4461	10.4667	10.4140
Swiss Franc	2.8300	2.8126	2.7810	2.7399	2.6630
Japanese Yen	265.50	264.30	261.84	258.95	253.32

EURO-CURRENCY INTEREST RATES

Mar. 21	Short term	7 Days notice	1 Month	Three Months	Six Months	One Year
Sterling	12⅛-12⅝	12-12¼	11 15/16-11 13/16	11⅛-11¼	10 15/16-10⅝	10 13/16-10 15/16
U.S. Dollar	7⅛-7¼	7 11/16-7 13/16	7½-7⅝	7⅜-7½	7⅜-7½	7⅜-7½
Can Dollar	10⅞-11⅝	11⅛-11⅝	11-11¼	10⅛-10⅜	9 11/16-9 15/16	9⅝-9⅞
D Guilder	5 9/16-5 11/16	5 9/16-5 11/16	5½-5⅝	5½-5⅝	5 7/16-5 9/16	5⅜-5½
Sw. Franc	2⅛-2⅜	10½-10¾	4⅜-4½	4 5/16-4 7/16	5 3/16-5 5/16	5¼-5⅜
Deutschmrk	4⅝-4¾	4 11/16-4 13/16	4⅝-4¾	4 9/16-4 11/16	4 9/16-4 11/16	4 9/16-4 11/16
Fr. Franc	8½-9	11-12	12½-13	11¾-12¼	10¾-11¼	9¾-10¼
Italian Lire	14-19	14¾-12¾	15-18	15-16¾	14⅞-15⅜	14⅛-14⅝
B.Fr.(Fin)	10-10¼	9⅞-10⅛	9¾-10	9⅝-9⅞	8¾-9	8¼-8½
B.Fr.(Con)	10-10½	11-12½	11¼-11¾	10⅛-10⅝	9⅛-9⅝	8¼-8¾
Yen	5 9/16-5 11/16	5⅛-5 3/16	6⅜-6 7/16	5½-5⅝	5 7/16-5 9/16	5 7/16-5 9/16
D. Krone	2⅞-3⅝	9-9⅛	8⅛-9	8¼-8¾	8-8½	7¾-8¼
Asian $ (Sng)	7 7/16-7 9/16	7⅞-8	7½-7⅞	7 7/16-7 9/16	7⅜-7½	7 7/16-7 9/16

Long-term Eurodollars: two years 7⅝-7⅞ per cent; three years 7¾-8 per cent; four years 8-8¼ per cent; five years 8 3/16-8 5/16 per cent nominal. Short-term rates are call for US dollars and Japanese yen; others two days' notice.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu March 21	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.8320	44.3551	−1.06	+1.18	±1.5425
Danish Krone	8.12857	7.99046	−1.70	+0.52	±1.6421
German D-mark	2.23840	2.16552	−3.26	−1.04	±1.1455
French Franc	6.86402	6.66313	−2.93	−0.71	±1.3654
Dutch Guilder	2.52208	2.44427	−3.09	−0.89	±1.5162
Irish Punt	0.724578	0.716429	−1.12	+1.10	±1.6673
Italian Lira	1520.60	1474.41	−3.04	−1.82	±4.0856

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

LIFFE LONG GILT FUTURES OPTIONS / LIFFE US TREASURY BOND FUTURES OPTIONS / LIFFE £/$ OPTIONS / LONDON SE £/$ OPTIONS / PHILADELPHIA SE £/$ OPTIONS / LIFFE—EURODOLLAR OPTIONS

[illegible]

LONDON

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

10% NOTIONAL SHORT GILT £100,000 64ths of 100%

THREE-MONTH STERLING £500,000 points of 100%

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
June	92.79	92.80	92.77	92.77
Sept	92.77	92.77	92.74	92.73
Dec	92.65	92.66	92.63	92.61
March	92.47	92.47	92.45	92.45
June	92.30	—	—	92.26
Sept	92.15	—	—	92.11
Dec	91.92	—	—	91.98

Est volume 1,668 (1,819)
Previous day's open int 17,343 (17,007)

US TREASURY BONDS 8% $100,000 32nds of 100%

CHICAGO

US TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

US TREASURY BILLS (IMM) $1m points of 100%

CERT. DEPOSIT (IMM) $1m points of 100%

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

STERLING $ per £

CURRENCY FUTURES

POUND—$ (FOREIGN EXCHANGE)

LIFFE—STERLING £25,000 $ per £

[illegible]

EXCHANGE CROSS RATES

[illegible]

MONEY MARKETS

Further pressure resisted

The Bank of England resisted pressure for lower London interest rates last week, but only after conceding a cut of 1 per cent to 11½ per cent in bank base rates on Wednesday.

On Friday afternoon the authorities decided to lend money to the discount houses, until after the Easter holiday, rather than buy bills. The rate charged of 12 per cent was above the prevailing rate of 11⅝ per cent for band 1 bills, and indicated that the market's enthusiasm for lower rates was not entirely welcomed.

Interbank rates discounted the 1 per cent reduction in base rates, but the authorities were not prepared to endorse lower base rates ahead of the Budget. On Budget day there was virtual stalemate, with the discount houses selling a mere £5m band 1 bills to the Bank of England, on a forecast shortage of £300m.

At the same time the Bank of England declined to buy bills at other than the prevailing intervention rates, and provided late assistance of only £145m.

Favourable reaction to the Budget, and the continued strength of sterling enabled the authorities to cut dealing rates Wednesday morning, heralding a reduction in base rates.

On Friday the pound finished at $1.5115, the highest level 1983, supported by the high level against the dollar since August of London interest rates.

UK clearing banks base lending rate 11½ per cent since March 19

WEEKLY CHANGE IN WORLD INTEREST RATES

LONDON	March 21	change	NEW YORK	March 21	change
Base rates	11½	−1	Prime rates	9	Unch'd
7 day interbank	12 1/16	−1 1/16	Federal funds	7 7/16	−⅝
3mth Interbank	11¼	−1/16	3 Mth. Treasury Bills	6.51	−0.14
Treasury Bill Tender	10.7831	−0.5765	6 Mth. Treasury Bills	6.78	−0.11
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MONEY RATES

[illegible]

NEW YORK RATES

(4 pm)

Prime rate	9
Broker loan rate	8¼-8½
Fed funds	7⅞
Fed funds at intervention	[illegible]

Treasury Bills & Bonds

[illegible]

BANK OF ENGLAND TREASURY BILL TENDER

	Mar. 21	Mar. 14
Bills on offer	£100m	£100m
Total of applications	£376m	£481.9m
Total allocated	£100m	£100m
Minimum accepted bid	£97.30	£97.213
Allotment at minimum level	34%	73%

	Mar. 21	Mar. 14
Top Accepted rate of discount	10.8297%	11.1702%
Average rate of discount	10.7831%	11.1596%
Average yield	11.06%	11.48%
Amount on offer at next tender	£100m	£100m

FT LONDON INTERBANK FIXING

(11.00 a.m. March 21)

Three months US dollars		Six months US dollars	
bid 7 3/8	offer 7 1/2	bid 7 3/8	offer 7 1/2

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

LONDON MONEY RATES

[illegible]

SECTION III

FINANCIAL TIMES SURVEY

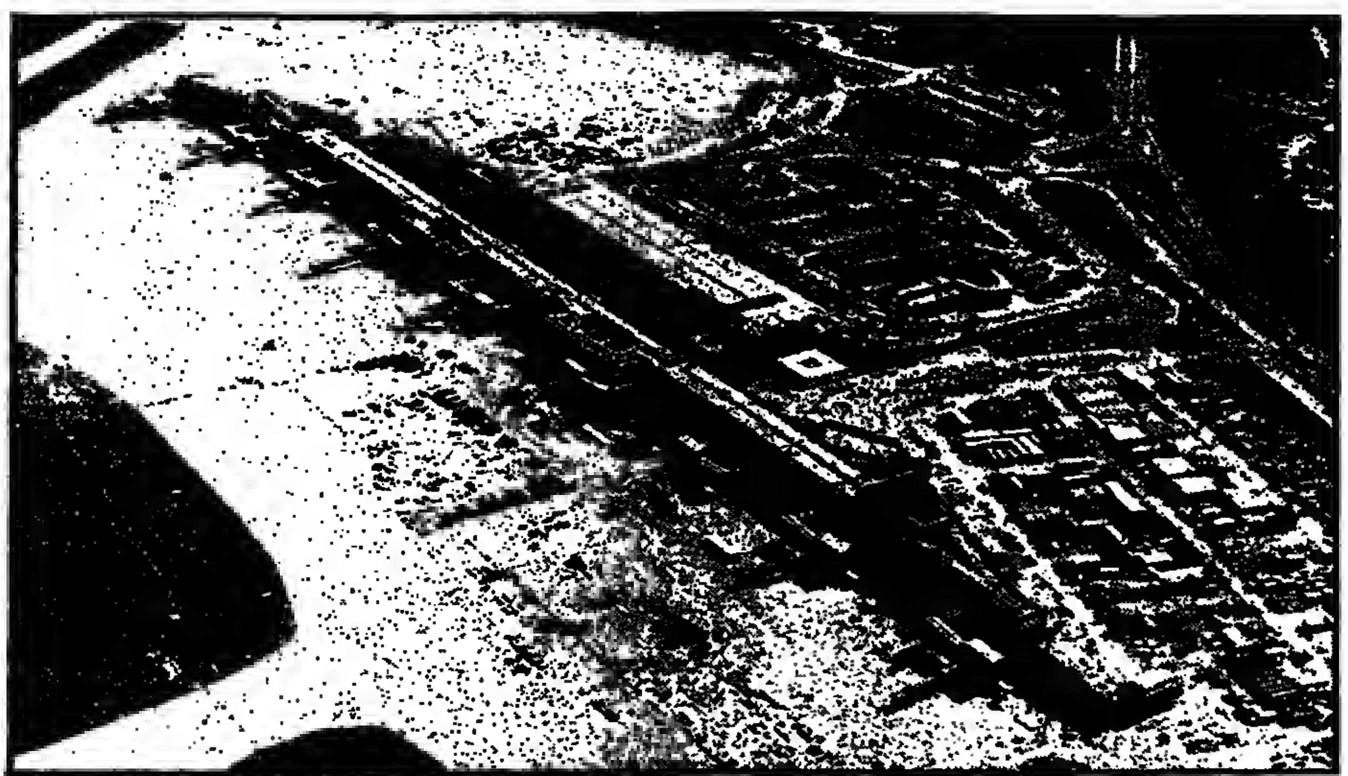
London's Airports

The new £200m Terminal Four at Heathrow, to be opened by the Prince and Princess of Wales on April 1, is the first result of an £800m-plus programme of modernisation and expansion at airports in London and the South East. The investment will gear the region for future continued growth in air travel to the mid-1990s and beyond.

Easing strains on the system

By Michael Donne

Aerospace Correspondent



Heathrow's new Terminal 4 takes shape. It raises the airport's capacity to 38m passengers a year

A NEW ERA in the history of London's airports will begin on April 12 when the £200m fourth terminal at Heathrow becomes operational, raising that airport's capacity from the present 30m passengers a year to at least 38m.

A little more than a year later, in the summer of 1987, another major development, the £200m second (North) terminal at Gatwick now under construction will open for business, raising that airport's potential capacity from the present 16m passengers a year to 25m.

Together, these two developments, among the biggest civil engineering projects undertaken anywhere in the UK in recent years, will do much to ease the growing strains on the London airports system until the next major phase of development—the equally expensive and extensive £290m expansion of Stansted airport in Essex from its present capacity of 2m passengers a year to between 7m and 8m—becomes operational in the early 1990s.

Behind all these developments lies the fact that inexorably air travel has continued to expand, not just in the UK, but throughout the world, and that for the foreseeable future that expansion is likely to continue, unless some unexpected economic difficulties arise. Even during the recession of the early 1980s, air transport suffered only to the extent that in some parts of the world—North America and Western Europe—the rate of growth slackened (traffic did not actually decline) while in some other parts of the world, growth continued at substantially high annual rates, especially in South-East Asia and the Far East.

Currently, all the indications are that, for the world as a whole, the average annual rate of growth at least through the rest of this decade is likely to lie somewhere between 5 and 7 per cent, although actual growth rates may vary widely in different regions.

The UK, as one of the world's great international air transport generators, is bound to share in that expansion. While some part of the growth will be at the regional airports, especially the larger ones such as Manchester where determined efforts are being made to exploit their capabilities, the bulk of the international traffic to and from the UK will be concentrated on the airports in London and the South-East.

That part of the UK is a major conurbation in its own right—one of the biggest in the world—while London is the centre of government and of much of the nation's industrial and commercial life, and a major centre for international tourism.

While undeniably the regions have a major role to play in the future development of all UK air transport, and need to be encouraged in their own development strategies, the fact remains that London and the South-East will remain the major attraction.

All of the expansion and modernisation now being undertaken or contemplated at London's airports is designed to ensure that the facilities can not only keep pace with demand, but where possible can remain ahead of it.

But providing an adequate airport infrastructure by itself is not enough: to manage it competently is equally essential. The British Airports Authority has the basic responsibility for running most of London's airport system—Heathrow, Gatwick and Stansted—Luton and Southend being local authority-owned, while the projected smaller central London Stolport (short take-off and landing airport) is being privately developed in the Docklands. The BAA is widely recognised as having done an excellent job, often under extremely difficult political and economic circumstances.

The authority has been consistently profitable throughout its 20-plus years of existence, and there is no reason to believe that it could not, and would not remain so if it continued under State control. The current Government's plan to privatise the authority later this year or early next has nothing whatever to do with any pressing need to revise the structure and methods of managing the authority, or to correct any obvious faults in the airports system. It is primarily a political objective as part of the Government's overall ambition to roll back the frontiers of the state in commercial and industrial life.

But given that privatisation is going to occur, both the authority itself and the air transport industry as a whole, can use that opportunity to reshape the system where either possible or desirable, so as to gear it for the expansion anticipated throughout the remaining years of this century.

Essential elements in that process include reshaping the structure of the authority itself into a holding company with seven separate subsidiary companies running each of its seven airports (the others outside London being Glasgow, Prestwick, Aberdeen and Edinburgh). Defining the precise structure is a matter for discussion between the authority and the Government, while the Airports Bill giving effect to the changes moves through Parliament, as outlined later in this survey.

But one element in the process that is currently the subject of considerable debate is whether there should now be a much more fundamental revision of the distribution of air traffic in London and South-East, with perhaps a tougher and more extensive system of Government direction of charter traffic to the expanded Stansted, relieving Gatwick to enable it to develop more as a scheduled airport along the same pattern as Heathrow.

Some airlines have suggested this as the proper way forward, whereas others have argued just as vigorously that all the airports in the London system should be allowed to develop as "hubs" in their own right, with a "mix" of traffic, both scheduled and charter.

The British Airports Authority itself, in response to a consultation document issued by the Civil Aviation Authority, has argued strongly that the present arrangements for distributing air traffic between London's airports have worked well and should continue. The *existing* pattern, involving reliance on the airlines' own scheduling committees to allocate landing and take-off "slots" at the airports, together with the action of market forces supported by an appropriate pricing policy, involving perhaps differential rates at different airports, remains the best way forward.

The authority argues that the growing shortage of suitable "slots" on a consistent daily basis at Gatwick, and the improving road network serving Stansted, is likely to encourage the development by airlines of both scheduled and charter services at Stansted, thereby relieving pressures on both Heathrow and Gatwick. This could be assisted by liberal Civil Aviation Authority licensing policies for new services at Stansted and at Luton.

The authority's view would appear to be supported by experience in the US, where an increasing number of airports are expanding rapidly under the "hub" system, with services of all types radiating in all directions—a pattern that is also increasingly being adopted on the Continent of Europe.

But apart from questions of redistribution of traffic, there are other problems to be faced in settling the future of the London airports system. These include those of the environment—noise and pollution from aircraft, and the growing road congestion, especially around Heathrow.

Earlier proposals to restrict the growth of traffic at Heathrow by the imposition of a ceiling of 275,000 air transport aircraft movements a year at that airport (and thus ease the noise burden) foundered because the ceiling was overtaken by events before it could be introduced: in 1985, there were 283,400 such movements, a rise of 3.8 per cent over 1984, and a further expansion seems likely in 1986.

But *it is* clear that a *close* watch will need to be kept on the noise situation at all the

CONTINUED ON PAGE 2

A considerable variation in projections for the number of passengers expected in the 1990s has posed a dilemma for planners.

Steady expansion set to continue

Patterns of growth

MICHAEL DONNE

THE FOUR main airports in the London area—Heathrow, Gatwick, Stansted and Lutoo—collectively handled more than 48m passengers during 1985, or about 7 per ceot more than in the previous year, reflecting the continuing recovery of UK air transport from the recession of the early 1980s.

Withio that total, Heathrow alone handled close to 31.3m passengers, or 7.3 per cent more than in 1984, with a volume of 283,400 air transport aircraft movemeot (up 3.8 per cent), indicating that the airport was already last year at saturatioo level and thus more than justifying the decision to *build* the new fourth *terminal* at that airport which becomes operatiooal on April 12.

Gatwick *handled* 6.7 per cent more passenger traffic at a total of close to 14.8m, also indicating that the *airport* was also coming close to its current maximum capacity of 16m a year.

All the indications are that this growth will continue into the foreseeable future, at an average annual rate of between about 5 to 7 per cent, unless there are any unforeseen economic difficulties.

Encourage

Although the recent fall in oil prices has been interpreted by soma aviation observers as likely to eocourage lower air fares and thus stimulate traffic, the general view is that rising air transport costs in other directions (such as labour and ree-quipment costs) will absorb the benefits of falling fuel prices (although some airlines claim their fuel bills have gone up, not down), and that in any event the volatility of fuel prices in the long term is likely to encourage cantion by the airlines and preclude any early significant reductions in fares.

Nevertheless, over the long term, that is at least up to tbe mid-1990s, the forecast is for a steady rise in the volume of air traffic serving the London and South-East region of the UK.

The most recent detailed forecasts, prepared by the Department of Transport (July, 1984), show that, using 1982 as a base year with 39.7m passengers at airports in the London and South-East area, by 1990, traffic will have grown to between 54.5m (the low forecast) and 66.5m (the higb forecast), out of total air passenger traffic for the UK as a whole of between 80.1m and 100.8m.

This represents an estimated annnal growth rate of between 4 per cent and 6.7 per cent. Tha 1985 results would appear to indicate that this forecast is likely to prove reasonably accurate, with a mean of about 60m passengers a year by 1990.

For the period 1990-95, a forecast expansion of between 3.6 per cent and 6.2 per cent a year will yield traffic by the mid-1990s of between 64.9m and 89.8m. For the remaining years of the century, a growth rate of between 2.7 per cent and 5.6 per cent is forecast, yielding traffic by the year *2000* of between 74.1m and 118m, out of a total for the country as a whole of between 105.8m and 172.8m.

The extraordinarily wide spread of the low and high forecasts indicates the difficulties involved in air traffic forecasting, and equallyq highlights the dilemma that the planners both in Government and the British Airports Authority have had in making adequate provision for future air transport development.

One the one hand, it is possible to set the sights too low, with the result that traffic could be squeezed into inadequate facilities with all the attendant hazards and complaints. On the other, it is possible to aim too high, with the result that while traffic is adequately catered for, there are accusations of unnecessary spending.

On balance, experience shows that it is generally better to overspend on more than adequate facilities, rather than underspend. When Gatwick was first developed as a major airport in the 1950s, it was criticised as being a monstrous "white elephant" in the London airports system.

Recent years hava demonstrated clearly that, without it, the London airports pattern would bave faced disaster; the inability to cope would have provided a bonanza for foreign airports that would have swiftly filed the gap.

The Britisb Airports Anthority's own plannera have been working on the basis of passenger traffic of between 80m and 85m a year at the London and South-East airports by 1995, with further growth thereafter.

It is on that basis that they have developed the fourth terminal at Heathrow, raising that airport's capacity from the present 30m to at least 38m a year (with the possibility of squeezing it up to about 42m a year by getting more traffic into the central terminal area) while they are also building the second (North) terminal at Gatwick, to become operational in the summer of 1987, raising that airport's capacity from the present 16m passengers a year to 25m.

At the same time, the plan now is for Stansted, in Essex, to be developed as a result of Parliamentary approval from its present capacity of abont 2m a year to between 7m and 8m a year in a first phase of expansion, with eventual further development to some 15m a year if demand justifies, and the longer-term possibility of even pushing it up to 25m a year on the single runway.

This BAA development programme aloce will generate available capacity by the mid-1990s of some 75m passengers a year at the BAA's airports alone.

Expansion

The additional capacity required to meet the overall *mid-1990s target of 80m plus* will come from an expansion of Luton Airport (which is local authority-owned) *to* about 5m passengers a year from the present capacity of 3.5m, with perhaps another 1m being handled by the London Stolport (sbort take-off and landing airport) to be built in the Docklands area east of the City of London.

From such calculations, it can be seen that if the forecasts are accurate, it is going to be a tight squeeze, even taking the medium level of estimated traffic growth for the mid-1990s. If the actual growth rate moves towards the high forecast of 89.8m for 1995, it would seem that further development of Stansted beyond the initial 7m to 8m now contemplated to a full 15m will become necessary.

Many aviation observers belleve that such a development will be inevitable anyway in the second balf of the 1990s, and that the time may well come wehn Stansted will bave to be pushed even further, up to 25m passengers a year capacity by the end of the century, the miximum that can be absorbed on only one runway, as at Gatwick.

Beyood that, there are two alternatives. One is to cooside the developmeot of a fifth terminal at Heathrow, catering for some 15m passengers a year and increasing the capacity of that airport to betweeo 53m and 57m passengers a year. This is an option which the Government has kept open in its White Paper on Airports Policy (as indeed it also has on the possible expansion of Stansted to 25m passengers a year).

Bnt given the physical coostraints at Heathrow—the need *to remove* the Perry Oaks sewage works wbere the fifth terminal would be sited, and the *growing congestion* on surrounding roads and railway links—together with the undoubted environmental problems from increased aircraft noise and pollution, such further expansion at either Heathrow or Stansted would generate a political argument matching, if not exceeding, in ferocity thet already held over recent years on the expansion programmes now approved.

It could be argued that, with Heathrow by then already handling up to perhaps 42m passengers a year, it would be against natural justice to develop it further, especially when an under-utilised expansion chamber is available at Stansted.

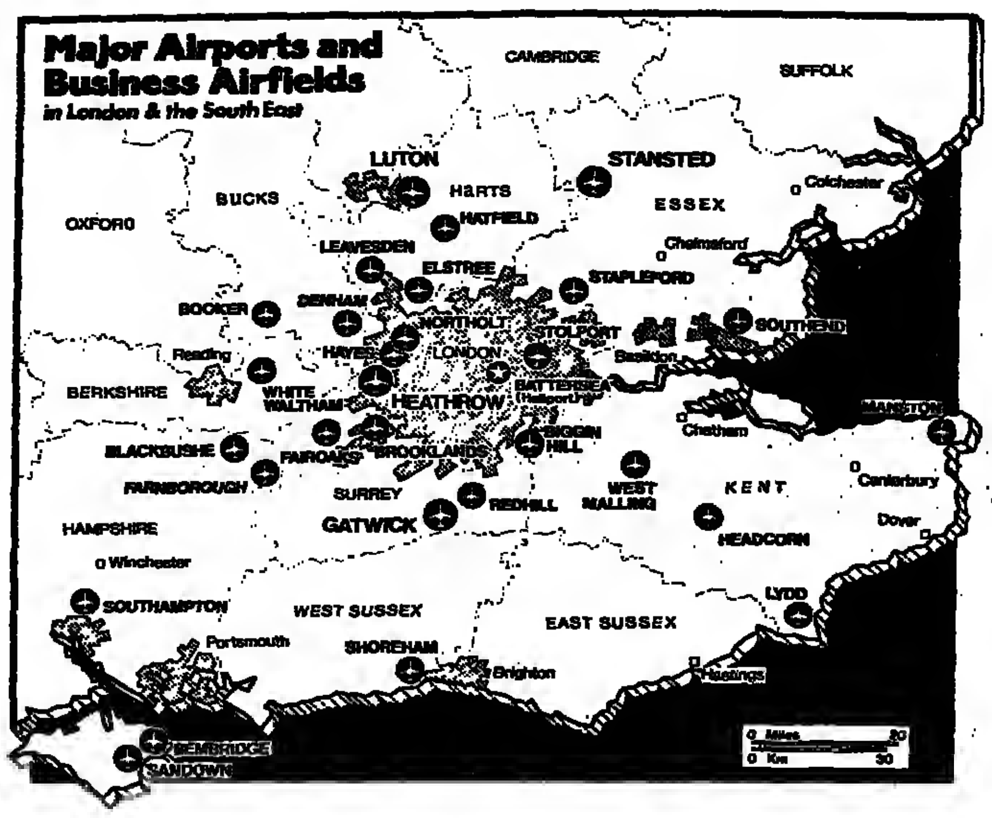
This debate lies wall into the future. It will not become an urgent consideration at least until the early 1990s, by whicb time the future trend of air traffic to the end of the century will be seen more clearly. But it would be wrong for anyone at this stage to suggest that sucb a debate will never take place. Sooner or later, the Government of the day will have to grasp the nettle, if the inexorable growth of air transport continues.

For the immediate future, bowever, the planners bave their hands full in coping with the development programmes already approved, which have themselves taken many years of struggle to achieve against formidable opposition.

The actual results for 1985—a gain of 7 per cent in air passenger traffic at the London and South-East airports—indicated that demand for air travel was runing strongly.

The early results for 1986 show that it still is. In January, the three BAA airports collectively handled more than 3.1m passengers, a gain of 6.5 per cent over the corresponding month a year earlier. Heathrow gained 4.8 per cent to over 2.2m, while Gatwick gained 11.9 per cent to 870,500.

Only Stansted showed a decline, of 12.3 per cent, to 26,200 passengers—the clearest possible illustration of the under-utilisation of that airport and reflecting its use still essentially for seasonal boliday charter traffic. To develop Stansted as a scheduled service airport is a change which the air transport industry as a whole must work to achieve.



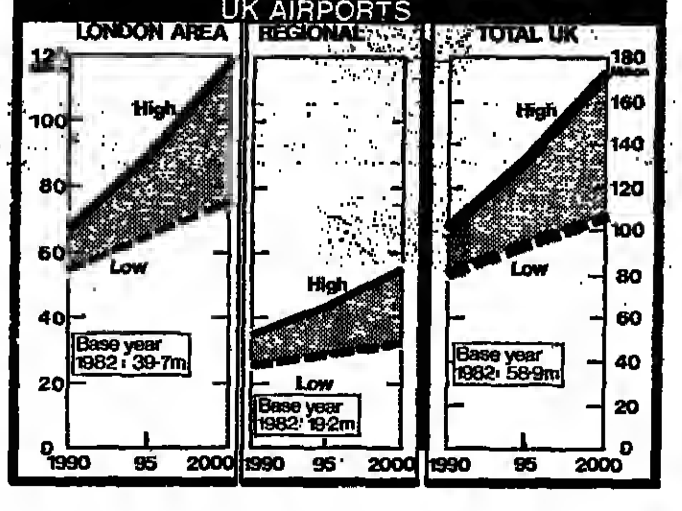
APART FROM the major airports, Heathrow, Gatwick and *Luton*, soon to be joined by the substantially-expanded Stanstead Airport, there are many other smaller airports or airfields.

These are primarily involved in business and leisure flying, or military aviation, or related directly to the aerospace industry.

Most of them, *if not all*, are likely to experience a major expansion of their activities during the rest of this century.

Department of Transport forecasts for growth in passenger *traffic at UK airports for* this period (in the chart below) show a wide variation between the "low" and the "high" forecasts.

This primarily reflects the difficulties of estimating traffic so far ahead, but even on the basis of the mean figures, traffic expansion will be strong.



Easing strains on the system

CONTINUED FROM PAGE 1

London airports, as traffic expands. The Government has already said that it will introduce a movements limit at Stansted, subject to Parliamentary control over suhsequent increases.

Although the Government will also cootinue with its policy of restricting night jet flights, it does not propose to ban them entirely. Thus, there are fears that the current periods of night noise curfews may be eroded as so-called "quieter" jet aircraft come ioto service. The fact is that there is oo "quiet" jet eirliner as such; the latest Jumbo jet may have modern engines fbat make less noise than those on an earlier type of the same aircraft, but they still make a great deal of noise.

Moreover, all aircraft operating at night are objectionable to residents in communities round airports who would perbaps be tolerant of sucb noise during daylight bours.

While it has to be recognised that airports are expensive investments that will be increasingly required to make money, it must also be accepted that the traffic growth anticipated at Loodon's airports will in itself result in an increased volume of continuous noise. Efforts to make a greater number of "slots" available at Heathrow in particular by an erosion of night curfew bours by so-called "quieter jets" should be resisted.

Local residents and anti-noise *groups round* Heathrow *and* Gatwick point out that if thera needs to be any directioo of air traffic at all in the London airports system, it sbould be acbieved by directing airlines seeking new or edditional "slots" to go to Stansted, rather than by eroding existing olght curfews by permitting any kind of jet operations in the night bours whero hitherto it has not beeo allowed.

These environmental considerations highlight the biggest unsettled issue in the wbole *debate on* the *development* of London's airports: whether eventually there sbould be a *fifth terminal at* Heathrow, or wbether the nnder-utilised Stansted should be further expanded to a *full* 15m passengers a year, and then to 25m, if demand requires, in the mid to *late 1990s*.

It is a topic that bas been shelved by the Government for *the immediate* future, largely because the need for any such decision bas not yet arisen, and *because the immediate* problem of settling whether or not to develop Stansted to a limited *7m* to 8m *passengers a year* has proved difficult enough politically.

But experience suggests that at some time the debate will surface again, perhaps in the early to mid-1990s. Many belleve it would have been politically more sensible to have dismissed now any notions *of a fifth Heathrow terminal* once and for all, relying instead on the full development of capacity st Stansted to the maximum of a single runway—25m passengers a year—and *insisting* on the development of a "hub" system of development at all three major airports.

As it stands, all that the Government has achieved is *settlement* of the long-running problem of whether or not to develop Stansted at all. That it has settled for tha limited initial target of 7m to 8m passengers a yaar is perbaps victory enough for the air transport industry for the time being.

Bnt no one should ba under any illusions that the matter is settled for ever. By the early 1990s, as traffic growth continues, the arguments for elther the further development of Stansted, or the fifth terminal at Heathrow will re-emerge.

Hugh Routledge

Holiday passengers wait in Luton Airport's check-in hall.

£500m flotation on the way

The BAA

MICHAEL DONNE

SOME TIME later this year or early next, the state-owned British Airports Authority, which owns seven major airports in the UK, will he privatised. The flotation is expected to raise more than £500m for the Exchequer, and will create tha biggest shareholder-owned airport organisation in the world.

The seven airports—Heathrow, Gatwick, Stansted, Glasgow, Prestwick, Aberdeen and Edinburgh — collectively handled close to 53m passengers during 1985, or 6.1 per cent more than in 1984, with the three London airports—Heathrow, Gatwick and Stansted—collectively bandling 46.7m passengers, a 7 per cent gain over tha previous yaar.

Heathrow itself, already the biggest internatiooal airport in the world, handled close to 31.3m passengers last year, a gaio of 7.3 per cent, while Gatwick handled close to 14.9m passengers, 6.7 per cent up. Stansted, designated as the third major airport for London, handled just under 514,000, a decline of 2.6 per cent.

The Government is not just privatising the airports authority as part of its overall ambition of rolling back the frootiers of state intervention io commerce and industry, but also because it believes that a private-sector airports system is likely to be more responsive to chaoges in consumer demand in the years ahead, as air transport continnes to expand, than would a state-run system.

To ensure this, the government's Airports Bill, published earlier this year and already given its second reading in Parliament, proposes a specific framework for the new system.

There will be a holding company, nnder which will be seven separate subsidiary companies, one for each airport. Each subsidiary company will be required to operate independently, and to produce separate accounts, while remaining as part of an integrated airports system.

Bolster

The object appears to be to ensure that the profits earned by one airport, such as Heathrow, are not used to bolster the flagging fortuoes of another that loses money, such as Prestwick in Scotland. However, this so-called "transparency" in accounting could lead to some difficulties in the future for the newly-privatised organisation.

In the past, although the Britisb Airports Authority overall has been consistently profitahla tbe pattern bas been patchy, with large profits earned at Heathrow (over £50.3m in 1983-84) more than offsetting the losses incurred at such airports at Stansted, Edinburgh and Prestwick.

It would appear from the Airports Bill that, in future, instead of all profits accruing to the Authority's central exchequer being allocated as the Authority thought fit, such as to cope with refurbishment and new buildings, each airport under the new structure will have to borrow funds where it needs them, either in the open market or from a more profitable airport. As the Bill stands at present, financial cross-subsidisation of airport within the system will not be permitted.

Moreover, the Bill provides for an external body, the Civil Aviation Authority, to oversee the charging policies end tradiog practices of all the airports involved. At certain major airports, including all the major BAA airports and Maochester, the CAA will have the duty of regulating airport cbarges (that is, the prices charged *for landing* and parking aircraft, and for other matters such as *concessions*).

This has already given rise to a note of alarm on the part of *the airports authority. Sir Norman* Payne, its chairman, bas said that while be bas always accepted the need for some form of regulation of landing fees once in the private sector, he is concerned that the Bill "does provide for a degree of regulation considerably greater than that eovisaged *originally* in tha White Paper on Airports Policy and subsequently approved by Parliament.

"When I welcomed tha White Paper last year, it was inteoded that *regulation would* represent minimal restrictions on the operation of the business. We shall be *monitoring* the passage of the Bill very carefully and make appropriate representatioos in the *interests of* the business as and when we see fit," he declares.

One of the possibla difficulties that could arise is in paying for the cost of major new developments of *some airports* that bave not been particularly profitable in the past, or have even incurred *losses*.

For example, Stansted, with expansion planned from the current 500,000 or so passengers a year to between 7m and 8m a year by the early to mid-1990s, will have to undergo a major facelift that will cost at least £290m in the nrovision of new *terminals*, roads aod other facilities.

But Stansted, in 1984-85, lost ebout *£3.9m*, and is bardly likely to be made significantly profitable in the early stages of *its* new development. If it is not allowed to be "cross-subsidised" by the profits from, say, *Heathrow*, through a central BAA accounting procedure as in the past, Stansted could begin *its* own *privatised* life saddled with a debt that could take a long time to remove.

The government will elm for the reorganisation of the BAA into a holding company and seven subsidiaries to be undertaken before the airports authority becomes a public limited company (which in turn will occur before privatisation itself takes place), and it is expected that this reorganisation will take place some time later this year, probably between July and October.

It seems likely that in the discussions that will take place between the government and the Airports Authority before that date, efforts will be made to clear np this qnestion of how to finance the future development of airports without encumbering them with debt.

Another element in the Airports Bill which the airports anthority will need to clarify will be the precise extent of the Civil Aviation Authority's powers to regulate charges which, if not carefully controlled, could themselves be damaging to the airports authority's long-term interests.

The fact is that, at present, the Airports Authority as a whole incurs losses on the provision of traffic facilities—that it, through its charges for landing fees, aircraft parking fees and apron and other services—and that these are more than offset by profits on commercial account—that is, concessions for duty-free goods sales and other services, sucb as car parking.

For example, losses of more than £26m on the traffic account in 1984-85 were more than offset by profits of £77.7m on the commercial account, resulting in an overall profit for the authority of about £51.6m.

In the past the anthority has sought to correct this imbalance in its accounts by raising landing fees and other cbarges, but bas incurred sucb wrath from the airlines that it bas *been* obliged to either rescind snch increases, or discuss with the airlines much *smaller increases* in charges.

The danger now clearly arises that with the imposition of another regulatory body—the Civil Aviation Authority—the airports authority'a own charging practices could upset the balance of profitability that tbe *airports* authority bas worked so bard to acbieve over recent years. Here lies another area tbat will need careful consideration aad discussion before final binding commitments are made under the *Act*.

Apart from tbese considerations, bowever, the airports *authority clearly* believes that, once in the private sector, it will have more freedom to *develop its airport* system with greater vigour tban ever before. Precisely bow this will be *achieved is still* a secret within the airports authority itself, but certainly a major extension of its *concessionary* trading activities seems likely.

هكذا من الأصل

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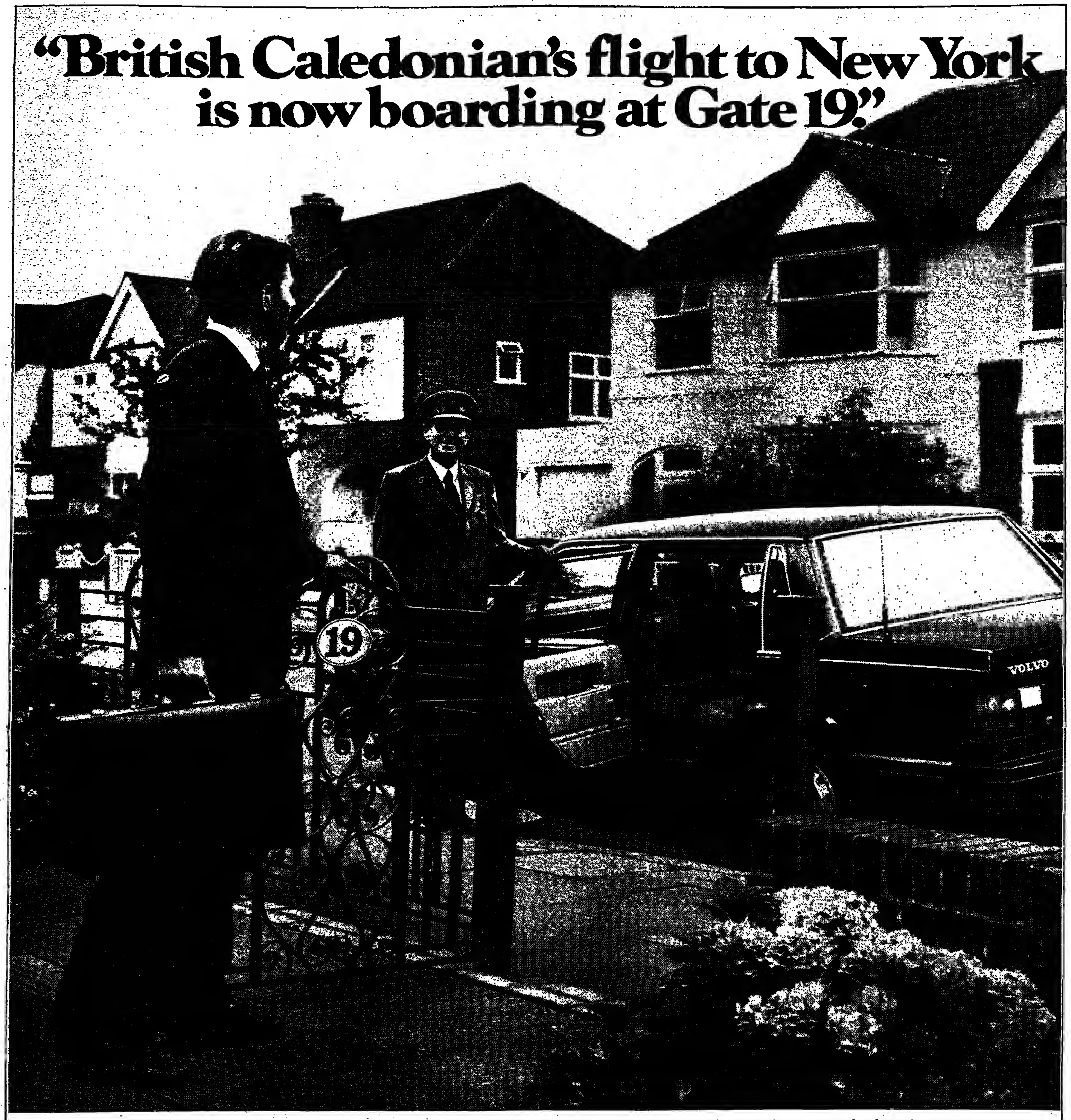

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We never forget you have a choice.

Heathrow's new £200m terminal, which opens next month, adds essential capacity for a further 8m passengers a year.

Terminal 4 brings a needed respite

Heathrow

MICHAEL DONNE

A NEW chapter starts in the history of Heathrow Airport, the world busiest international airport — handling close to 31.3m passengers a year — when tha new Terminal Four on the south-east side of the airport becomea fully operational on April 12.

Built at a cost of £200m, the new terminal adds capacity for a further 8m passengers a year to the airport's already saturated existing level of about 30m passengers, and provides a much-needed respite until the growth in air traffic in the London and South-East region requires further expansion to he considered, some time in the 1990s.

The principal occupant of the new terminal will be British Airways, but it is sharing the new facilities with KLM of the Netherlands, NLM City Hopper (a small Dutch airline) and Air Malta.

BA has spent some £14m of its own cash in fitting out Terminal Four to meet its needs. Overnight on April 11-12, it will move all of its intercontinental (long-haul) services, including Concorde, from Terminal Three in the congested central area of Heothrow, together with its Paris and Amsterdam short-haul international services from Terminal One, into the new terminal.

At the same time, Sabena Belgian Airlines and South African Airways will transfer their operations respectively from Terminals Two and Three into the space partially vacated hv BA in Terminal One, which will ease the pressures on space in the central area. All BA's remaining short-haul international and domestic flights will continue to use Terminal One.

But the pressure on the already congested Terminal Three in the central area seems likely to remain for some time, for with the departure of BA, it is intended by the British Airports Authority to close part of that terminal so as to undertake a £68m modernisation and refurbishing programme there that could take up to two years.

Confident

So far as BA itself is concerned, the move to Terminal Four of its long-haul intercontinental services will he a major development, described by Mr Colin Marshall, chief executive, as the airline's biggest operational move for 20 years. "We have chosen to move to tha new terminal because we are confident it will please both our customers and staff alike," he says.

In Terminal Four, BA will have 2,200 staff, handling about 80 flights a day, and nearly 6.5m passengers a year. KLM, in turn, will be handling all its short-haul international flights between London and the Netherlands from the new terminal.

The new terminal, tha most modern in the UK, is designed on a split-level to separate arriving and departing passengers, making the trip from airside to kerbside and vice-versa simple. Inside the building, BA will have 64 check-in desks, arranged in groups of 16.

The airline will also have four passenger lounges, including one for the use of Concorde and first-class passengers and a separate lounge for Executive Club passengers.

To make transfers easy between Terminal Four and Terminal One in the central area, BA will run its own coach service, with a minimum connecting time between short-haul and long-haul international services of some 60 minntes.

The big benefit of Terminal Four from the British Airport Authority's viewpoint is that it is outside the increasingly congested central terminal area, located on the perimeter of the airport. Although there are no current plans for enlarging Terminal Four, its position on the south-east side of the airport will make such expansion easier if it should ever be required.

No one, either within the airports anthority or outside it, can say at this time whether such expansion will ever be needed.

The question is inextricably bound up with wider issues such as the overall expansion of air travel to and from London and the South-East of England in the years ahead, and how far such growth could or should be accommodated at the available "expansion chamber" of Stansted in Essex or at Gatwick in the mid to late 1990s.

Current plans envisage Gatwick being developed from its current maximum capecity of 16m passengers a year to 25m a year hy the addition of its new Terminal Two, now under construction, and Stansted heing developed to handle up to at least 7m to 8m passengers a year, with provision for further growth to 15m, depending on the volume of traffic.

As and when demand builds up (as many believe it will) to the point where Gatwick is fully committed at 25m passengers a year, and Stansted at 7m-8m, the question of whether to develop Heathrow further or take up the option of further expanding Stansted will have to be faced.

The Government, in its overall airports policy, has kept its options open. The development of a fifth terminal at Heathrow (at the western end of the airport on the site now occupied by the Perry Oaks slndge works) to enable a further 15m passengers a year to be handled — bringing Heathrow's overall total capacity to 53m passengers a year — remains a possibility, but admittedly a remote one.

The difficulties in the way of such a development, including relocation of the sludge works with its own attendant pnhlic planning inquiry and environmental problems, coupled with the time it would take to build a mossive new terminal on it would be formidahle.

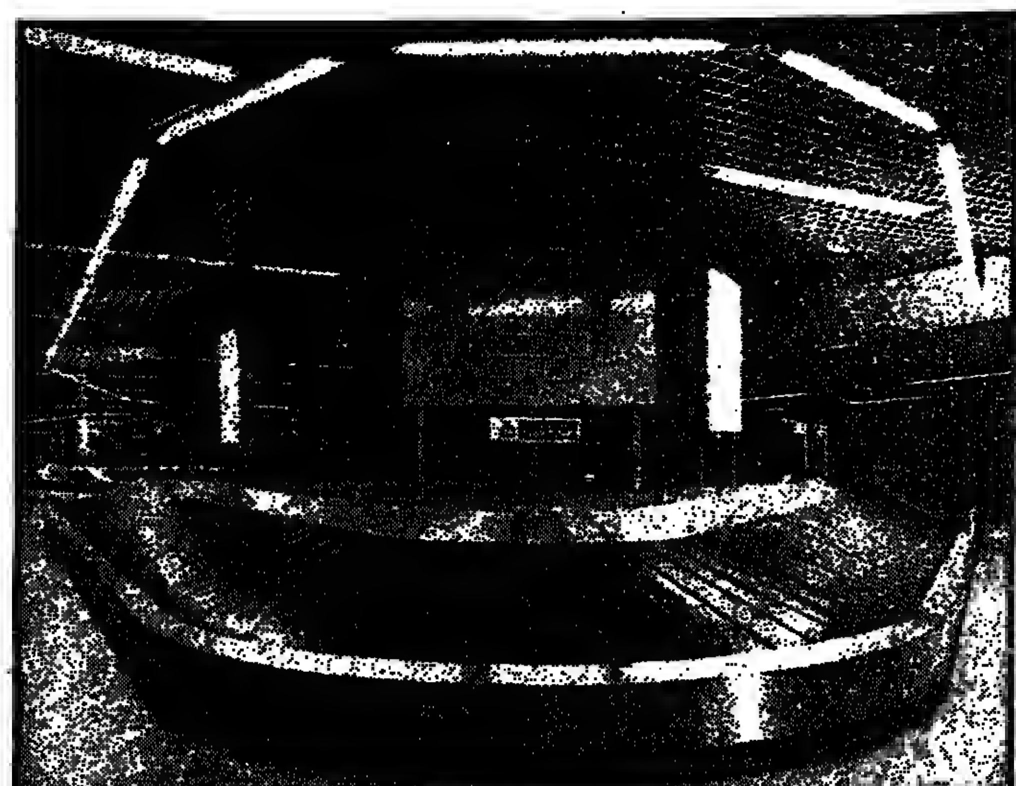
The easier option would he to accept the existence, hy then, of a Stansted capable of almost unlimited expansion beyond its initially designated limit of 7m to 8m passengers a year.

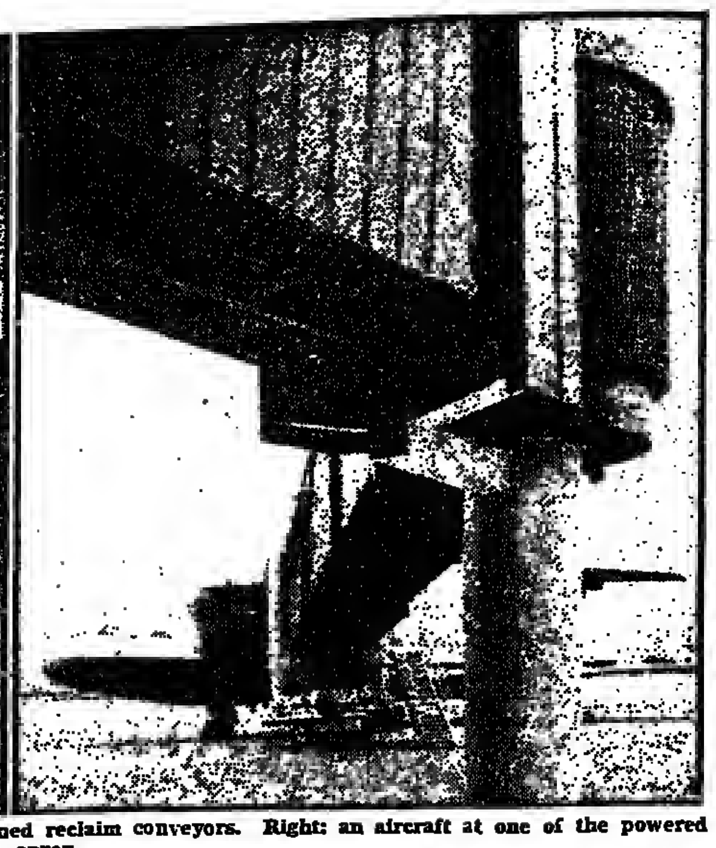
The suhject is so politically and environmentally sensitive that no one in either the Government or the British Airports Authority is ready to comment officially on it, hut within the airline industry there is no such deference to the niceties of the issue.

Many, although not all, airline executives helieve that if Stansted is there in the mid to late 1990s, it ought to be used to the full — developing its potential would be easier and cheaper than trying to squeeze more out of Heathrow beyond the 38m passengers a year that the four terminals there will by then he providing.

For it is pointed out that squeezing more out of Heathrow is not just a matter of huilding another terminal. It becomes e more serious question of whether the surrounding infrastructure — such as roads and railways to provide access, and the provision of such facilities as aewage disposal, water, gas and electricity supplies, could ha expanded adequately to cope with tbe pressures the additional 15m passengers e year would generate, quite apart from the environmental issues such as noise.

For these reasons alone there are many in the air transport industry who believe that, with the advent of Terminal Four, Heathrow has heen taken as far as it possibly can, and that the further development of the London airports' structure will hove to be catered for elsewhere, with Stansted the obvious candidate.





Arrivals baggage et the new terminal will be collected by passengers from one of six inclined reclaim conveyors. Right: an aircraft at one of the powered telescopic loading bridges on the apron.

Speed and simplicity

Terminal 4 building

MICHAEL DONNE

SIMPLICITY of design and speed of construction have been the two vital elements in the design formula for Heathrow's new £200m Terminal Four (or just T-4 as it is more popularly called).

Architects Scott, Brownrigg and Turner conceived the formula after a tour of many world airports, to analyse existing designs and solutions to passenger-handling problems. The design concept of T-4 is in many ways the product of that survey, according to Mr Kenneth Gilham, chairman of Scott, Brownrigg and Turner.

"Airports invariably appear complex to the public and we wanted T-4 to be a very simple huilding," he says.

"If one accepts that travel, generally, is a highly stressful activity, then one must equally accept that air trovel is most probably the most stressful form.

"The time in transit, the restrictions of air travel, the general turmoil of the terminal and the anxieties of luggage, curencies, passport controls and delayed flights, all conspire to create a highly-stressful period," Mr Gilham says.

"It is clear that airport authorities throughout the world are taking e close look at the problems of passenger stress and ways in which air travel can be mada more pleasant," he adds.

Tha British Airports Authority's own hrief to Scott, Brownrigg & Turner, reflecting the authority'a concern for passenger comfort, was "Space, Speed, Simplicity and Service," for the 8m passengers who will eveoutally use the terminal every year.

As applied to T-4, the formula is simplicity itself, in the form of a large rectaogulor steel-framed building, with the minimum of iotercommunication corridors, and a vast open-plan airside concourse reaching the length of the building, soma 650 metres, or more than four times the length of the National Gallery in London.

The object of such a large space is to encourage passengers to spend more of their time passing through the terminal on the airside, allowing maximum time for duty-free shopping and flexibility of movement.

This is aided by the fact that in T-4, arriving and departing passengers are segregated on different levels within the building. Yet another significant design concept is the elimination of enclosed gate-rooms in which at many airports passengers have to wait before boarding their aircraft. Ample seating is provided close to each departure gate.

In T-4, the arrivals concourse is on the lower level, with haggage reclaim and customs. The upper level is devoted to departing passengers, with the land-slide check-in concourse, passport and security controls and the airside concourse with its duty-free shops and catering.

Mr Gilham says: "We have created an atmosphere of confidence in the departure concourse by allowing passengers an uninterrupted vision of the waiting aircraft, and a high-tech, almost spoce-age feling to the concourse area."

The overall design incorporates lightweight, demountahle aluminium panelling, both externally and internally, while the external system is based on a repeating pattern of glazing and panelling, which is highly effective in reducing noise and in improving the thermal efficiency of the structure.

The building's rectangular steel structure was cbosen for speed of construction, and for the opportunities it offered of providing horizontal channels between ceilings and upper floors for "service routes" — such as cables for lighting. To help ahorten huilding time, many of the components were completed off-site, and required only to be installed.

The roof design of the airside concourse provides natural light through an angled, glazed section, running the length of the concourse. This is balanced by stainless steel piping for services which provides a high-technology, space-age effect, together with contrasting terracotta-coloured structural roofing.

"The whola effect was designed to instil confidence in the airline passenger who would be confronted with a high-tech environment on arrival in the airside concourse," says Mr Gilham. "This atmosphere, coupled with uninterrupted vision of the waiting aircraft, is in our view the way forward in airport terminal design."

Of the 17 aircraft stands alongside the airside frontage and the rear of the wings of the building, eight will be able to receive the next generation of larger Boeing 747-400 Jumbo jets. Five remoter aircraft stands will bring the total number to 22.

"We have no donht that tha forward thinking of the British Airports Authority and the innovations included in our structural design will ensure that T-4 projects a relaxing etmosphere, and becomes a 'show-piece' air terminal for Europe and the rest of the world," Mr Gilham concludes.

TERMINAL FOUR FACTS:

Client and project manager: British Airports Authority.

Co-ordinating management contractor: Taylor Woodrow Construction.

Consultant architects: Scott, Brownrigg & Turner.

Consulting civil and structural engineers: Scott Wilson Kirkpatrick & Partners.

Ground first broken: June 8 1981.

Operational service, April 12 1986.

More spending to cope with congestion

Gatwick

MICHAEL DONNE

GATWICK AIRPORT, the second busiest airport in the UK and one of the busiest international airports in the world, is now approaching saturation point and awaiting the opening of tha new £200m North Terminal in the summer of next year.

Currently, tha airport is geared to cope with up to 16m passengers e year with its existing main terminal and its smaller accompanying satellite. During 1985, Getwick actually handled close to 14.9m passengers, a gain of 6.7 per cent over 1984, and early indications for 1986 show that traffic has continued to expand.

The new North Terminal (or Terminal Two as it is sometimes called) is designed to lift the overall capacity of Gatwick from 16m passengers a year to 25m, that once completed and functioning the new terminal should anahle the airport to cope with foreseeahle growth well into the 1990s.

It will thus make a major contribution to allaviating the growing congestion at London's existing airports, and provide some relief until the preliminary phase of the expansion at Stansted Airport, in Essex, becomes operational in tha early 1990s.

Along with the new Terminal Four at Heathrow, the North Terminal at Gatwick ranks as one of the UK's higgest individual construction projects. By late 1985, close to £100m of the overall outlay of £200m on the terminal had been spent.

Construction work on the new terminal is on schedule, and with the structural steelwork virtually completed, and cladding, landscaping and other major works well under way, the major ahape of the terminal has taken on much of its final form.

The work from now on will largely involve interior fitting, along with external works such as roads, aprons, taxiways and the associated infrastructural facilities such as car parks and fuel supply systems.

All this will make the terminal a completely independent unit at the airport in its own right, connected with the main terminal only hy means of unmanned rapid transit system that will ensure for passengers swift connections to other airlines, as well as to the main British Rail link from Gatwick to Victoria Station in [illegible]

The new terminal, with a floor erea of about 700,000 square feet, will be capahle of handling up to 2,500 departing passengers, and a similar number of arrivals in an hour, by using the most advanced forms of handling equipment. The new terminal's own independent road system, linked with the M23 motorway, will provide access for 60 per cent of the 9m passngers a year it is designed to handle, while tha new Rapid Transit rail system will carry the rest to and from the existing main terminal.

To cope with this traffic volume, the new terminal will have its own short-term car parking for 2,400 vehicles in two multi-storey car parks, linked with the main concourse hy moving walkways, while an additional 6,700 long-term car parking spaces will also be available in a surface car park to the north-west of the main terminal area.

There will also be a staff car park with about 1,700 spaces.

Tha scala and scope of the work at Gatwick has povided a major challange and incentive to British industry. The declared policy of the British Airports Authority has been fully to support British industry in the development of the new terminal, and 79 major contracts worth some £126m have already been awarded, of which 77, worth £115m, have gone to British companies based throughout the country. Spending is everaging £1m a week.

This hes created much new or additional employment, especially in the Midlands and the North.

While Gatwick is being expanded, however, it is the aubject of some controversy in the airline indlstry over its fundamental future role in the UK airports pattern. Hitherto, much of the capacity of the airport has heen used by charter operators catering for the UK package tour holiday industry, although scheduled traffic to an increasing number of international destinations has also bean growing.

The qnestion now arising is how far in the future should the airport, with its additional capacity, be used aa a major "huh" for the development of new domestic and international scheduled services, and to what extent should it continua to be used for "bucket and spade" holiday and other charter traffic.

The debate, generated by a call for airline and other indnstry views on the future distrihntion of air traffic in London and tho South East by the Civil Aviation Anthority, in response to a request hy the Department of Transport, has revealed a wide split in the airline industry.

Some airlines, such as British Caledonio, already a hig user of Gatwick, have suggesled that the airport in future should he primarily allocated o scheduled service role, and that much, if not all, of the charter traffic should he siphonad off to Stansted.

But the majority of operators at Gatwick, including the cherter eirlines, have rejected this philosophy. They point out that a passenger is antitled to equal treatment no matter whether scheduled or charter, and that a vast proportion of Gotwick's catchment area consists of holiday passengers in London and the South East.

To force that traffic to Stansted would he counter-productive. Many charter passengers would simply not travel ot all, or revert to surfore (road, rail and ferry) transport to and from the Continent, especially aince tbe southern counties are close to all tbe major cross-Channel ferry ports. Little, or none, of it, they argue, would opt for the longer aod more loconveoient journey to Stansted, or even Heathrow.

These airlioes argue that to differentiale helweeo types of passenger in such a way is invidious, creating a new distinction between travellers of first-class (that is, scheduled) and second-class (that is, holiday charter) citizens that would be uoacceptable sociologically, as well as economically and even politically.

No snch distinction, for example, is made hetween rail travellers, why should it he introduced for air travellers?

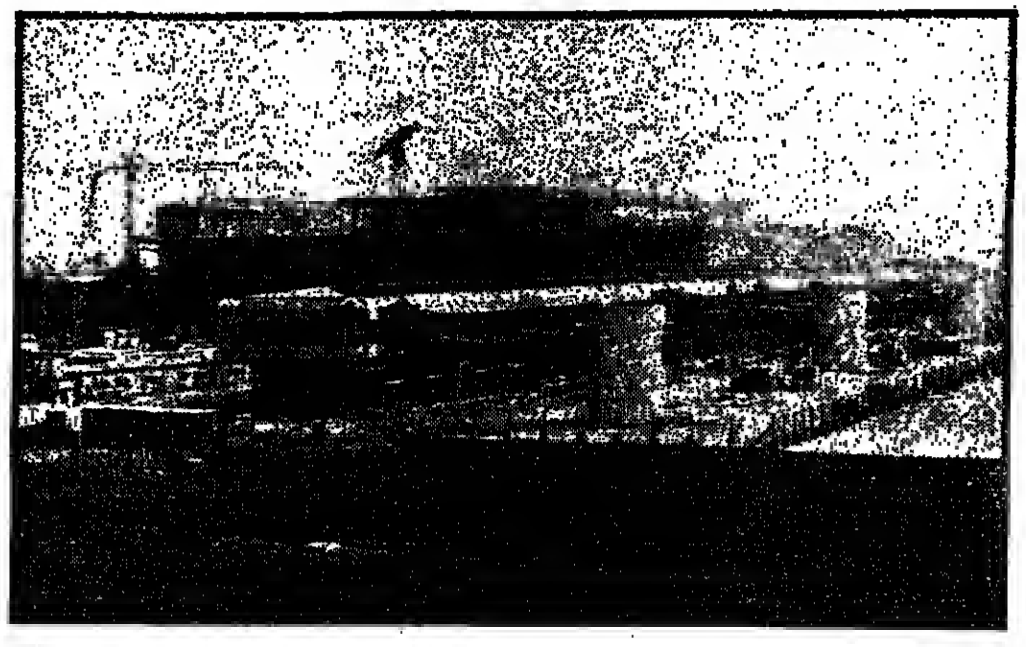
Hub

Tha foct remains thot there is no reason why Gatwick Airport cannot be developed os a "hub" airport in its own rigbt, catering for both scheduled and charter passengers. What is important is not the type of traveller involved, hut his point of origin.

If the predominant clientele of Gatwick consists of travellers in the South-East catchmant aree of Hampshire, Sussex, Surrey and Kent, with a leavening from elsewhere, then that is what Gatwick has heen developed for, and what it must always be catering for, no motter whether those trovellers are husiness or holiday orientated.

This dehate is likely to continue for some time. The concept of allocating different airports for different types of traveller is not only uniqne in air tronsport history, hut alien to the way in which oir travel has been developing in the UK, and will continue to develop in future.

That has heen recognised hy the British Airports Authority, which hos urged that the "status quo" of traffic distrihution he retained at Gatwick, and indeed, in the whole London area.



The new North Terminal at Gatwick Aairport is now well advanced in construction. This view, taken from the apron area, shows the shape of the building, with the passenger loading piers in the foreground.

Aerial view of the airport, second largest in the UK after Heathrow, and the fourth busiest international airport in the world. The new North Terminal is just ont of the right of the picture.

A Brymon Airways de Havilland Dash 7 turbo-prop airliner takes off on a flight trial in London's Docklands.

A revolution for business travel

Stolport

LYNTON McLAIN

STOLPORT, or the London City Airport, is potentially one of the most unusual airports in the world. It will be built, after years of planning — and some local opposition — along the disused wharves and by the deserted berths between the Royal Albert and King George V docks by the River Thames at Newbam in East London.

The airport will be only a matter of 20 minutes by taxi from the Bank of England in the heart of the City of London. It is likely to revolutionise urgent travel for City business-users, especially to Paris, Brussels and Amsterdam, three of the most likely destinations to be served from Docklands.

The airport is the idea of John Mowlem and Company, civil engineers and its main airline supporter Brymon Airways, the UK's only operetor of the de Havilland Canada Dash 7 four-turboprop engined airliner. This aircraft is the key to the quiet, Short Take-Off and Landing (Stol) performance that is at the centre of the Stolport concept. Few other aircraft, if any, with the Dash 7's 50-seat capacity can offer the same performance from a City-centre airport.

Stolport will be restricted to fixed-wing aircraft able to operate from a 700-yard runway and there is no provision for belicopters.

The great majority of Stolport activity will take place from Monday to Friday since, according to the Economic and Transport Planning Group, only about 3 per cent of European business travellers make jonroeys outside the working week.

Following outlina planning permission for the Stolport from the Government, the London Docklands Development Corporetion granted detailed planning permission for the project late last month.

Up to 100 flights a day from the airport are envisaged, including flights from London to Paris, Brussels, Frankfurt, Amsterdam and British cities.

The airport is expected to cost about £18m to build, with much of this amount required for construction of the passenger terminal for the expected 1m passengers a year, and for the runway.

When Stolport is operational, possibly as soon as mid-to late 1987, passengers are likely to wonder how they managed to put np with the tedious trek from the City to Heathrow (16 miles from central London) or to Gatwick (25 miles from the centre). Stolport, by contrast is little more than five miles east of the City and the journey will probably take less time than a sborter journey from the City to the West End of London in the busy lunch period.

At the moment, although Brymon, led by Mr Charles Stuart, the former British Airways executive, is the only UK airline with wide experience of operating the Dash 7 short take-off and landing aircraft, the final decisions on which airlines do eventually operate out of Stolport is the responsibility of the Civil Aviation Authority.

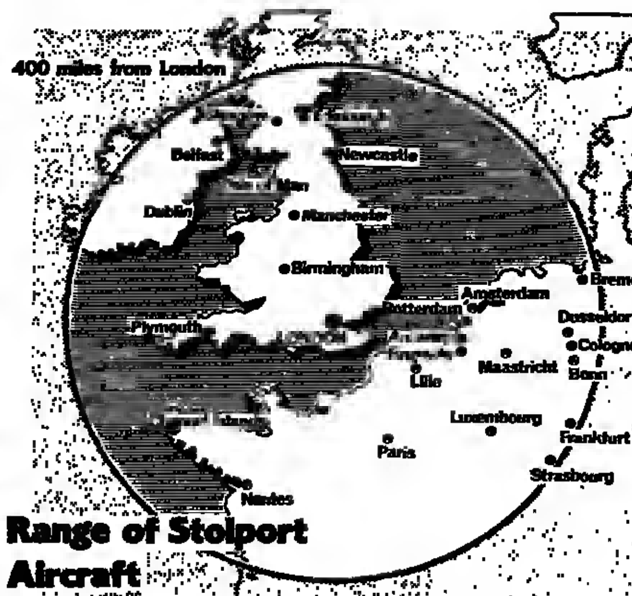
The CAA is expected to invite applications soon from airlines interested in operating services from Stolport.

Brymon itself has identified at least 14 potential destinations that would be ideal targets for services from Stolport. Services to Paris, Brussels and Amsterdam are likely to feature prominently in the airline's early route epplications. A 400-mile radius of London is one criteria that has to be met if the Dash 7 is to be used.

The airline would probably restrict itself initially to about six international air services and about three domestic UK services from Stolport. Brymon already has five Dash 7 aircraft and two smaller Twin Otter aircraft and would need six Dash 7 aircraft to operate its proposed initial Stolport services. Brymon could expand from £10m turnover a year to nearer £50m as a result of the extra business generated by its proposed Stolport activities.

Several thousand jobs could be created with the development of the dockland airport, according to the London Docklands Development Corporation.

A feasibility study on the siting of the airport in docklands showed that Stolport could create between 4,200 and 5,000 jobs by 1990. With 1m passengers a year using Stolport, the number of on-site jobs likely to be created by 1990 would be 1,100, according to the study, prepared by the Economic and Planning Transport group for the corporation.



In the first year of air services, abont 400 jobs would be created off-site and in secondary work associated with the airport. Most nf sucb jobs would be filled by local people.

Mr Stuart is an enthusiastic supporter of the docklands *development*. "From London Bridge on the sonth bank to the proposed east London river crossing (a bridge) on the north bank, this eight and a half square miles of riverside is the greatest single redevelopment of London since the Great Fire 300 years ago," he says.

"It is the largest single urban renewal programme in Europe. The first £1bn has already been invested, mostly in the western sector nearest the City, mostly by private investors."

He describes the desolated docks as a "maritime cemetary, with not a ship to be seen."

Out of this will spring the London City Airport. "The first international scheduled air transport eirport to be built nearer a capital city-centre. It is also the only airport to be rooted in a seaport, dependent on new aircraft technology, with built-in operating and growth limits at the outset," Mr Stuart says.

"These limits are important," he says. Stolport means a "short runway." There will be no *pleasure flying*; no *night* operations or maintenance; only fixed-wing aircraft (belicopters are banned, legally); only 120 air transport movements each weekday and 40 at weekends and only aircraft that can meet the strict noise rules being permitted.

He envisages that 90 per cent of the "at best $1\frac{1}{4}$m pessengers a year," using London City Airport, will be business travellers.

In Mr Stuart's view, this could mean eirline revenues of around £100m e year — a fair sized business by non-airline standards. Perhaps 10 per cent of all cross-Cbannel travel between the UK and the Continent could eventually fly via the London City Airport, of which perhaps half would be new business — passengers who had not previously flown between the UK and the Continent.

Time savings for Stol passengers*

To Central London From	% Savings in time relative to air	% Savings in time relative to rail
Domestic routes		
Aberdeen	11	25
Belfast	9	—
Birmingham	44	39
Edinburgh	15	32
Glasgow	15	25
Leeds	36	53
Liverpool	30	51
Manchester	33	51
Newcastle	23	55
Tees-side	25	63
European routes		
Amsterdam	32	
Brussels	33	
Dublin	20	
Frankfurt	12	
Paris	33	

*Compared with conventional air and rail routes.
Source: Economic and Transport Planning Group

Development plans brought forward

Luton

LYNTON McLAIN

THE CRUCIAL role of Luton in the London airports system was underlined by the Government in its Whita Paper on Airports Policy, in June last year.

The Government said it was anxious to make effective use of all London's airports. Conaequently, it was intended to invite Luton Borough Council, the owners of Luton International Airport, to bring forward proposals "to increase the airport's capacity (currently 3.5m passengers per annum) up to about 5m passengers per annum, subject to normal planning procedures."

This higher figure is estimated by the Government and airport planners to be the limit of what can be handled within existing air traffic control constraints. The increase could be needed by 1995.

The airport has already had e substantial injection of new capital investment. Over the past five years, it is estimated that about £10m has been spent in the redevelopment of the terminal building complex et the airport. This investment transformed the terminal area and provided passengers with new check-in facilities, new hars, restaurants, shops, a new arrivals hall and a new baggage reclaim area. A bank and a medical centre were also added.

The previous terminal building, opened in 1966 when passenger volume was abont 400,000 people, could not keep np with the expansion in demand for air services from the "holiday airport" of Luton.

The airport committee of Luton Borough Council has made this investment in the ligbt of the fact thet the airport's *potential* "catchment area," as well as the airports system, will be enhanced by completion of the M-25 orbital motorway around London. The airport committee estimates that the effect of the M25 joining the M1 motorway will be to double the "catchment area" of Luton—the number of people who could be served by that airport—from the present 10m or so to more than 20m.

Potential market

Areas of south and east London, 30 miles away, will be accessible to Luton with a one-hour drive, when tbe M-25 is completed. Already, Luton International Airport is only 26 minutes from central London by rail at peak periods and Birmingham, a potential market, is 90 minutes by road away.

In terms of passengers handled (1.79m in 1984-85) Luton airport is the fifth busiest in the UK, with the vast majority of those passengers (1.74m) being interoational. The airport provides work for 4,000 local people, although the number of workers directly employed by the airport authority is about 400.

In 1984-85, the airport earned a net surplns of £1.9m on income of £15.5m. It handled a total of 57,625 aircraft movements, of wbich just over 30,000 were air transport movements. The airport also handled close to 18,700 tonnes of cargo. Capital expenditure on the airport during 1984-85 alone was £3.9m.

Britannie Airways and Monarch Airlines ere two of the leading airlines hased at Luton on holiday charter work. Britannla, a wholly-owned subsidiary of the International Thomson Organisation, has operated from Lnton for over 22 years end carries well over 4m passengers a year. Among UK eirlines, Britannia is second only to British Airways in terms of passenger numbers and passenger-miles flown.

Monarcb Airlines was formed at Luton in 1968 with two Bristol Britannla aircraft. The airline currently uses Boeing 757 and 737 twin-jet airliners for its holiday charter operetions from Luton. Monarch operates aircraft for its sister company, Cosmos, as well as for e large number of other major tour operators.

Monarch Aircraft Engineering, also at Luton, handles aircraft maintenance work for Monarcb and other aircraft operators.

Other operators et Luton include McAlpine Aviation, one of the UK's leading business aircraft cbarter companies. McAlpine operetes a large fleet of British Aerospace 125 executive jets, as well as five other types of aircraft.

Hugh Routledge

Passengers leave their flight at Luton

Phased expansion for 15m passengers

Stansted

LYNTON McLAIN

THE UNCERTAINTY has been lifted from the people of Essex about the future of Stansted Airport, after many years of indecision. The Government last year gave the go-ahead for Stansted to be London's "third airport" in its Airports Policy White Paper in June 1985, a decision subsequently approved by Parliament.

The cost will be about £290m with several thousand jobs likely to be created.

The airport management forecasts that the current 1,700 staff will expand to 3,000 staff by the early 1990s when the new terminal becomes operational, and this could rise to 12,000 jobs by 1995, with another 2,500 to 3,000 *more likely to* be created off the airport site.

The development plans for Stansted are on a more modest scale than had been at one time envisaged. Stansted has a current capacity to handle between 1m and 2m passengers a year, but last year only just over half a million passengers used the airport.

Although ontline planning permission has been granted for development up to a maximum capacity of 15m passengers a year, tha Government has decided thet this development will be carried ont in phases, with the first phase limited to a throughput of 7m-8m passengers e year. Also, the Government has ruled that there will be no second runway at Stansted. The expansion initially permitted represents an increase of some 5m-6m passengers a year on the airport's current capacity.

Mr Allan Munds, Stansted Airport director, says that the work by the authority since last year's Government go-ahead "has been to tailor the scheme to stand on its own at 8m passengers per annum capacity. What I want to bring out is that we are now building an 8m passenger airport."

The BAA is still somewhat sensitive to tha claims of the northern airports lobby which has advocated furthar expansion of airport capacity in the north in place of expansion at Stansted, and the authority wants to underline that the current first phase of development is not for a 15m passengers a year airport, although the airport could physically be developed to cope with that total, and even further to 25m on the single runway, as at Gatwick.

Mr Munds, outlining the way Stansted will develop under the 8m passengers a year plan, says the existing Stansted terminal and its facilities will be used for general aviation traffic. It seems likely that general eviation traffic at Heathrow will be squeezed ont eventually by the growing volume of airline traffic.

Tha go-ahead for the new terminal at Stansted is currently subject to detailed planning consent by local authorities, but "work on the gronnd is expected to start this year," Mr Munds says.

The first work is likely to be a spur off the nearby roundabout from the M11 motorway. "We aim to be connected to the existing terminal aree by the end of 1986," Mr Munds says. "This and the new main road will give access to the new terminal site et the end of the year.

"There is three and a half years of work ahead, to be completed by early summer, 1990. This is when the new terminal will be handed over ready for operation towards the end of 1990."

On this basis, the enlarged Stansted Airport will be fully operational as London's third airport for the whole of 1991. By 1995, the airport is expected to have reached its full design capecity of 8m passengers a year.

Much of the infrastructure, such as runways and roads already exist at Stansted, but the terminal itself will be built on e "greenfield" part of the site.

The passenger terminal is to be designed to "reflect the best airport practices that will be expected by the 1990s," Mr Munds says. "We are trying to guess what airport practices will be into the 21st century," says Mr Jeff Ambrose, the Stansted general manager. "The terminal design will take account of these ideas for the 1990s."

Detailed planning permission is involving earthworks and landscaping, the latter involving nina per cent of the total land area of the airport site. Much planting of trees and shrubs, involving about 250,000 plants eltogether, is to be carried out to make the site as attractive as possible.

British Rail is to build a self-financing electric rail extension from the Liverpool Street to Bishop's Stortford and Cambridge rail line. This requires legislation. Mr Munds says the proposed extension will provide a 40-minute rail link with London, "comparable with the Getwick rail link."

Current business et Stansted is based on one schednled airline, Air UK, and charter flights, mainly to and from Scandinavia. There is also inclusive holiday tour business. British Airways, for example, will be selling its Sovereign and Enterprise holidays through Stansted, but will not use BA aircraft. These tours are outbound from the UK to the Mediterranesn; inbound from Cenade (Wardair) and the US (American Trans Air, using TriStar eircraft).

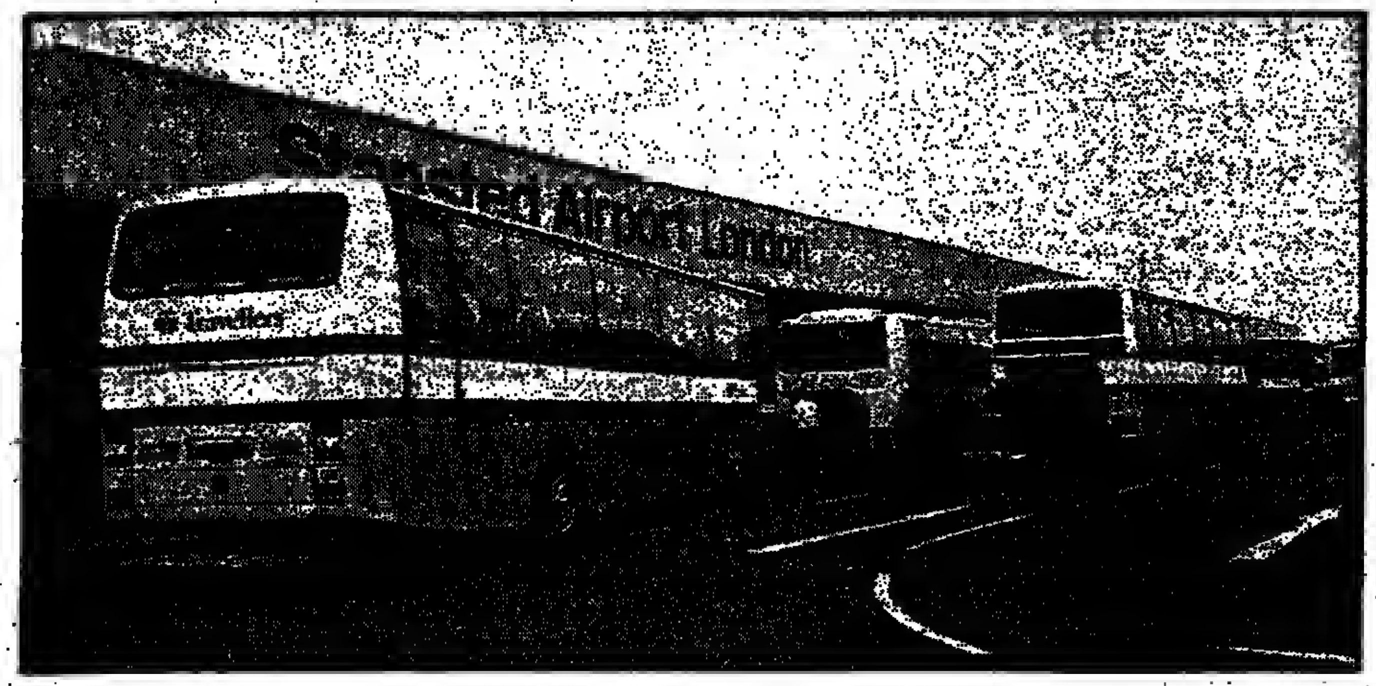
In the spring, London Express Airways is planning to start a Boeing 747 charter service twice a week to Singapore and once a week to Hong Kong.

People Express, the US cheap fare airline, wants to start a service between Stansted and Newark, New Jersey, but these plans have not yet been approved. A new airline, Highland Express, is planning services from Stansted to Newark and Toronto, via Birmingham and Prestwick, this summer.

Air UK's scheduled flights account for 20 per cent of traffic at Stansted, with cberter flights taking the balance. The Scandinavian flights account for over half the charters.

There are still signs of Stansted's war-time use. Visitors taken on a tour of the airfield are shown the earthworks where the bombers test-fired guns before their missions. All commercial air traffic is welcoma at Stansted as the management seeks to make greeter use of the large runway and extensive ground facilities.

Parcels and cargo traffic is also important at Stansted. A recent addition to the night flights by the Post Office is the US Federal Express parcels service. This started last October from Memphis to New York and via Stansted to Brussels. Stansted is also a specialist airport with trade in moving livestock and bloodstock on Boeing 747 freighter aircraft.



Legislation bringing changes

The regions

MICHAEL DONNE

MAJOR CHANGES in the structure of ownership and operation of many of the local authority-owned airports in the UK will occur as a result of the Goveroment'a Airports Bill, now before Parliameot.

In all, there are 55 airports of all kinds in the UK outside those in the London area, including those in the Channel Isles. Between them, they handled more than 23m passengers during 1985, substantially more than in 1984, and soma have been expandtug rapidly in recent years. Collectively, therefore, these regional airports, as they are generically termed, provide nearly one-third of the total volume of all air traffic within, to and from the UK in a full year, and so make a vital contribution to the UK air transport industry.

Many of these regional airports are exceptionally small, with only a few thousand passengers passing through their terminals a year. But some are very large, such as Manchester International, the UK's third-largest airport, with more than 6m passengers a year, and Glasgow, with about 2.7m.

Jointly owned

Some 23 are local enthority-owned, that is, they belong either to the local council within wbose area they lie, or to combinations of councils, such as Manchester, which is jointly owned by Manchester City Council and the Greater Manchester Council.

For the majority of these regional airports, the forthcoming Airports Bill will bave littla impact, beyond the effect of the measures that may be taken to control airport charges under the Civil Aviation Anthority. But for some of the larger ones—those with annual turoovers of over £1m—some substantial changes in ownership and management are in prospect.

On the basis of the latest available figures for local authority airports from the Chartered Institute of Public Finance and Accountancy, local authority airports thet seem likely on the £1m turnover basis to be brought within the scope of the Government's Bill include Birmingham, Bournemouth (Hurn), Bristol, Cardiff, East Midlands (Castle Donington), Leeds/Bradford, Liverpool (Speke), Luton, Manchester, Newcastle, Norwich, Southend and Teesside.

The Government proposes to ensure that, from now on, these airports "should operate in a proper commercial environment." To this end, Part II of the Bill provides for those major local authority airports "to be released into the commercial world in which they belong," as Mr Nicbolas Ridley, Secratary for Transport, told the Commons during the debate on the Bill.

"The Bill will enable me to require major local authority airports—those with a turnover of over £1m—to be reconstituted as public companies," Mr Ridley said. Althongh initially they would continue to be owned by the local authorities concerned, the government clearly wants to see eventually a substantial measure of private capital Injected into them, although it will not take powers to enforce that move.

But althongh the Goveroment will not compel the local authority airports to privatise, in the same way that the British Airports Authority is being compelled, "I hope instead that local authorities will come to see the advantages of privatisation. The Bill makes that possible."

Moreover, said Mr Ridley, it would actively prevent those local authorities from placing restrictions on the disposal of shares in their airports.

But if outright privatisation is not intended, nevertheless the Government intends to ensure that e reasonable measure of commercial competition is injected into those airports.

"The Bill," Mr Ridley said, "also ensurea that there is a proper arm's length relationship between the new airport companies and their parent authorities, so that airport companies will beve proper commercial freedom. It provides for the boards of the airport companies to include full-time airport executives, and not simply to consist of local councillors.

"It limits the services that local authorities can provide to airport companies, and such services as may be provided will bave to be at commercial rates. The Government believes that airport companies should be free to buy in services by competition in the best interests of the company.

"The directors of the airport company will have a duty nnder the Companies Acts to act in the best intarests of the company, which may not necessarily coincide with the interests of their own local authority. I think that that is an important cbange whicb will laad to greater efficiency."

Moreover, as Mr Ridley bas stressed, as companies the major local anthority airports will be requlred to prodnce and publish Companies Act accounts —"a discipline which in itself will foster a more commercial and businesslike approech.

Approval

The Bill also extends thet businesslike approech to investment. Invastments financed from an airport's undistributed surplus will no longer come within the capital control system and no longer need Governmant approval. Investment financed from external sourcea will, of course, remain subject to the Government's capital expenditure controls while the company remains within the public sector. If, bowever, the local authority concernad cbooses to privatise an airport, the investment will be free of those controls."

Mr Ridley made tt clear that the Governmant's intantion is to ensure that the interests of the new airports companies take precedence over the interests of the councils that owned them in the past.

Moreover, the Government intends to take powers to regulate the airport charges and trading practices of these major regional airports, as with the major London and South-East airports. All airports will be required to provide proper and separate accounts, prevent or remedy any discriminatory charges or trading practices or ebuse of monopoly positions, and to prevent predatory pricing.

The Civil Aviation Authority will be given the task of regulating airport charges through a price formula, and to require "transparency" of accounts.

Every five years, the Monopolies and Mergers Commission will be able to carry out an investigation into any airport's business. It will make recommandations to the CAA on any practices found to be against the public interest, and also recommend what limit sbould apply to airport charges at that airport over the following five years.

The aim of these changes is intended to be to release the local authority airports from what tha Government believes bas been in some cases, but not all, the stifling band of local anthority bureacracy on airport development.

The local authority alrports will be given the opportunity to follow in the footsteps of the British Airports Authority, and move to full privatisation if they grasp the opportunity of selling a majority of the shares in tha new local authority airport companies to the public.

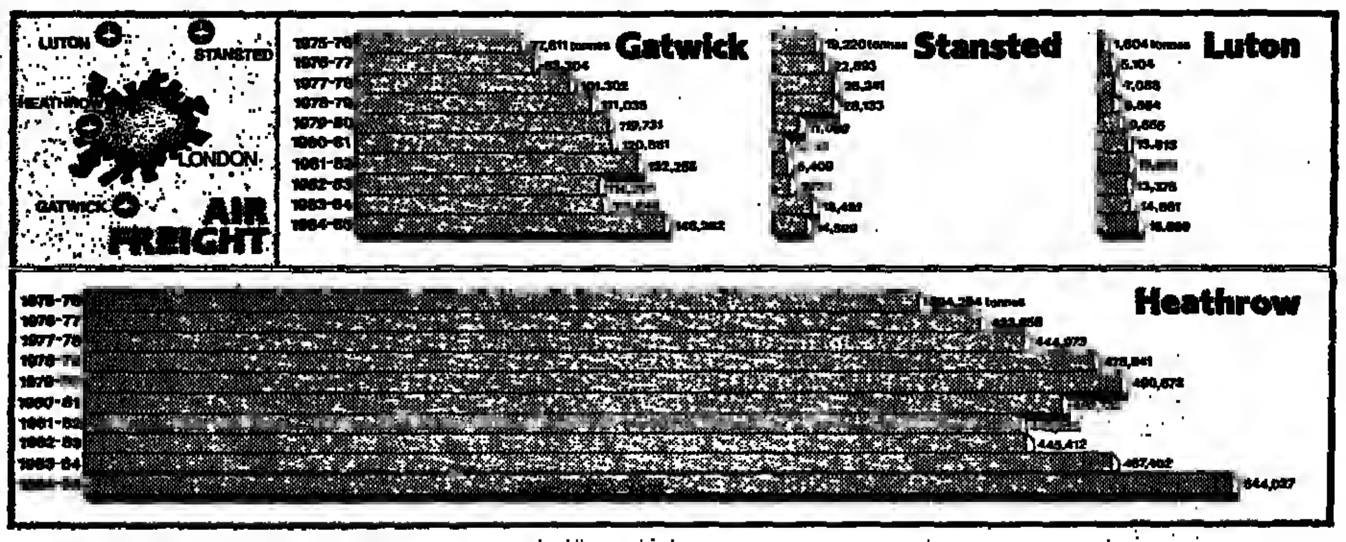
This would free those airports from all capital controls. But even if they choose to retain the shares in the plcs themselves, those companies will still be free to expand at a pace determined by market demand and eble to attarct private resources to help them to do so.

The Government accepts that some of the airports with more than £1m turnover that it will want to form into plcs, already incur losses. But it believes that with private sector involvement, more robust marketing, more imaginative development, and more determined cost controls, many of them could be transformed into profitable enterprises.

As Mr Michael Spicer, Aviation Minister, commented in the Commons: "The Bill accepts that the airport business no longer needs the protection and capital controls which exist in the public sector. We wish to liberate the energies and talents of the industry to the economic benefits of those who participate in it, and of the nation as a whole."

Glyn Genin

The overall volume of cargo handled at airports in London and the South-East has been expanding in recent years, especially at Heathrow, although at Stansted the tonnage has tended to decline. Nonetheless, the overall upward trend has been sufficient to enable London to recapture the number two position in Europe.



Fierce rivalry from Continent

Cargo

MICHAEL DONNE

VIGOROUS EFFORTS by the Britisb Airports Authority to promote the major airports in the London area as a centre for cargo handling, against fierce competition from Continental airports, appear to be bearing fruit.

For the 12 months to the end of January, the three BAA airports involved, Heathrow, Gatwick and Stansted, collectively bandled just over 697,300 metric tonnes, wbich put them back into the second position in the European airports cargo league, ahead of Paris (Charles de Gaulle and Orly) at 694,400 metric tonnes but behind Frankfurt at 767,000 tonnes.

When cargo handled by Lnton and other airports in London end the South-east is included, the region is clearly confirmed as number two, althougb holding that position may well become tougher in tha face of the competition now being mounted by several of the major European centres, including Paris and Frankfurt.

Mucb of the credit for this situation must go to the London Air Cargo Promotion Group (commonly called the Cargo Task Force) set up some time ago by the British Airports Authority and led by Mr Ian Robinson, BAA's cargo manager, to promote the nse of London's airports as cargo import, export and transhipment centres.

The Task Force combines the skills and experience of all sectors of the industry in a bid to re-esteblish London as the principal international air cargo gateway to Europe and the world, a position from which it had been dislodged in the early 1980s by the growth of Paris and Frankfurt in this field.

Promotion

Over recent years, the Task Force has conducted major overseas sales drives in the US, Scandinavia, and into Europa itself, taking the "Gateway London" message to Paris, Frankfurt and Zurich. A further major promotion along similar lines is to be held in Japan, in Tokyo and Osaka, in May, this year.

These efforts have already helped considerably in promoting the image of London as a cargo centre. At the same time, the task force has substantially tmproved tha input of statistics on cargo, as a means of belping to improve market intelligence. More is now known and understood about cargo than previously, a factor which bas also been aided by tha growing interest in eargo as a major source of revenne by the airlines themselves.

At one stage, during the days of flusb passenger revennes, cargo was often either ignored by the airlines, or relegated to a lesser position than passenger traffic in top management's thinking. The recession of the early 1980s belped to change that attitude. Airline managements, desperate for revenue, were obliged to look more closely at cargo operations, with the result that now it is regarded by many as a major source of revenue with considerable potential for further expansion.

The task force will be organising a confereoce later this year, comprising all elements in the cargo industry, to report on the progress that bas been made already and to chart the way ahead.

Some major new developments are in prospect, one being the establishment of a substantial new freight forwarders' facillty et Heathrow perhaps by the end of the decade. An extensive study is also being undertaken into trucking (the use of surface transport) and its relationship with air-boroe cargo, with a view to lmproving facilities for such cargo at the airports.

At tha same time, it is stressed by the BAA that while mucb bas already been done to achieve a more afficient use of space and resources at alrports, and to provide a more flexibla and competitiva environment, much more still naeds to be done by the industry as a wbole. Gronnd handling arrangements still need to be improvad, and the infrastructure provided to help the UK air cargo industry as a wbole to meet interoational trading demands of the 1990s and beyond.

The BAA'a last anual report summed up the situation by commenting that "tha opportunities for London to recapture lost traffic have never been greatar, but there must also be a concerted effort to maintain Britain's lead in international aviation, transport and distribution—the competition is fierce.

"Industry-wide consultation and co-operation, as established by tbe London Air Cargo Promotion Group, must be supported and strengthened if the task force is to emerge from the 1980s as a force to be reckoned with."

Services for all traffic

Smaller airfields

MICHAEL DONNE

OUTSIDE THE biggest International airports, the London and South-East region is well served by a wide variety of smaller airports and airfields catering for ell types of traffic, ranging from commercial scheduled international and domestic air services through to business and executive travel, and private leisure and sporting flying.

The "Flight" directory of British aviation lists close to 30 Civil Avlation Authority licensed airports, although this does not necessarily imply that all are immediately availeble for public transport flights. Some are privately owned, with limited facilities, at wbich civil traffic is permitted only by prior arrangement.

Others are larger and more ective, substantially devoted to private and leisure flying, but again permitting some public transport aircraft operations on a prior errangemeot basis. Others are Government or military airfields, such as Farnborough and Northolt, wbere a limited volume of commercial operations is either already permitted or is likely to be so. The White Paper on Atrports Policy stressed that Farnborongh (currently primarily the bome of the Royal Aircraft Establishment) is to provide limited additional capacity for business aircraft, while access to Northolt by business aircraft is to be improved.

Statistics

Yet a smaller number of others are airports — in the fully-eccepted aense of that term—in their own right. For example, Southend, according to the Civil Aviatlon Anthority'a statistics for airport activity in 1984, is in fact the third largest tn the London erea, assessed by the number of aircraft movements, after Heathrow and Gatwick, with a total of 65,950 movements, rather higher in that year even than Luton and Stansted.

Southend Borough Council, as the owner, and British Airports Interoetional, as manager, of Southend Airport, have embarked on a £690,000 redevelopment of the passeoger terminal at tbe airport. This substantial improvament scheme will inrorporate new Interoational and domestic arrivel and departure lounges complete with a duty-free shop, aod a 24-hour bar service for international departing passengers, and other amenities.

Mr Gareth Evans, director of tha airport, says that BAI is pleased with growth in traffic at the airport. In 1985, it handled 196,000 passengers, an increase of over 50 per cent on 1984.

British Airports International, a joint venture by the British Airports Authority and International Aeradio (a subsidiary of STC), bas managed Southend Airport for just over a year. By drawing on the resources of its parent companies and installing its own staff at the airport, BAI is able to provide an efficient and cost-effective management structure which has so fer proved extremely successful.

BAI also manages Southampton's Eastlelgb Airport, which in 1984 bandled close to 300,000 terminal passengers, with some 48,565 aircraft movements, of whicb more than 13,500 were air transport movemaots, tbe rest comprising aero club, test and training, prlvate aircraft (including business aircraft), positioning flights, military and other operations.

Manston Airport, on the Isle of Thanet in Kent in the extreme south-eastero tip of England, has a 9,000 ft resurfaced runway. It is owned by the Ministry of Defence but is also available for commercial aircraft movements, which are being handled by Seaborne Aviation.

The company offers a comprehensive 24-hour handling service with full customs facilities to operators of botb large and amall aircraft, and a full range of passenger reception facilities is avallable catering for all capacities from large jets to smaller air taxis and business executive aircraft.

Many of the airports and airfields listed in the "Flight" directory are available for business aircraft, but among the most widely used for that purpose is Biggin Hill, near Westerham, in Kent, whicb is also extensively nsed for flying club operations.

For business executives in London and the South-East tnterested in nsing aircraft, the Air Transport Operators' Association (formerly the Air Taxi Operators' Association), lo its annual yearbook, lists the avallable airports and airfields in the region for air taxi operations, together with a list of the names of the operators serving them.

Overstretched

Public transport helicopter operatioos in London itself are less well served, with only the Battersea Heliport likely to be available, following the impending closure, later this year, of the City bellstop on the barge moored off Trigg Laoe, close to Southwark Bridge.

Once Trigg Laoe closes, nelicopter operators fear that the limited facilities et Battersea will become overstretched, even though it is permitted 6,000 flights e year. Mr Roy Moxom, chairman of the British Helicopter Advisory Board, representing Britisb helicopter owners, operators and manufacturers, says that Trigg Lane's closure will cut availeble helicopter landing capacity in London by about 30 per cent.

Currently, ideas are being mooted for a pad over Cannon Street railway bridge spanning the Thames as a possible heliport, with access to the railway station itself, while the London Docklands Development Corporation is also discussing e proposal, sponsored by Star Aviation, for a landing pad at Bermondsey in south-east London.

Helicopters will be banned from the new Stolport to be constructed in the Docklands aree.

Vigorous

What seems clear to many in the belicopter industry is that a more vigorous approach to educate the public at large to the commercial benefits of the belicopter is becoming increasingly necessary.

The environmental difficulties (stemming from public objections to noise) facing helicopter operations are illustrated by the problems that British Caledonian Airways has had in seekiug permission to continue its Getwick-Heathrow helicopter link.

This service was suspended from early February, following the opening of the M25 motorway link between the two airports.

An application to the Civil Aviation Autbority by British Caladonian to be allowed to continue the service, on tba basla that it was of considerable value to the aviation community and airline passengars connecting between tha two airports, was approved by tha anthority, but referred to the Secretary of Stata for Trensport, Mr Nlcholas Ridley, for final approval.

The Minister's decisloo is still awaited. But in the meantime, in a submission to the Minister by British Caledonian, tt is argued that this Airlink belicopter service bas been turned into e scapegoat for all general protests about aircraft noise, aod helicopter noise in particular.

Objections to the belicopter link, it is claimed, have been "grossly misleading," and Mr Ridley is being asked to permit continoation of the service for the benefit of botb the aviation community and International airline travellers coming to the UK.